



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2011 Wisconsin Act 4
[January 2011 Special Session
Assembly Bill 4]

**Increased Allocation Authorized
Under the Economic Development
Tax Credit Program**

Under *prior law*, the maximum amount of tax benefits that the Department of Commerce (Commerce) was authorized to allocate under the economic development tax credit program was limited to the sum of tax benefits remaining to be allocated under programs that were phased out under 2009 Wisconsin Act 2. Namely, Commerce is authorized to allocate amounts remaining in the development zone, airport development zone, agricultural development zone, technology zone, and enterprise development zone programs.

2011 Wisconsin Act 4 increases the maximum amount of tax benefits that Commerce may allocate under the economic development tax credit program by \$25 million.

The Act requires Commerce, before allocating the additional \$25 million, to submit a plan for such allocation to the Joint Committee on Finance. If the cochairpersons of the committee notify Commerce within 14 working days of receiving the plan that the committee has scheduled a meeting to review the plan, then Commerce may allocate the funds only upon approval of the plan by the committee. If the cochairpersons do not notify Commerce within that timeframe that they have scheduled a meeting to review the plan, Commerce may allocate the funds as proposed.

The Act specifies that the general fund statutory reserve requirement (\$65 million in 2010-11 and the 2011-13 biennium) does not apply to this legislation.

Effective date: 2011 Wisconsin Act 4 takes effect on February 15, 2011.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.