

State of Wisconsin

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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: July 2, 2015

Re: 14-Day Passive Review Approval – WEDC

Pursuant to s. 238.15(3)(d), Stats., attached is a 14-day passive review request from the Wisconsin Economic Development Corporation, received on July 2, 2015.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Tuesday, July 21, 2015**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm

MEMO



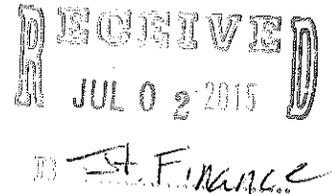
To: Senator Alberta Darling, Co-Chair
Representative John Nygren, Co-Chair
Joint Committee on Finance

From: Reed E. Hall, CEO & Secretary
Wisconsin Economic Development Corporation

CC: Richard Chandler, Secretary; Department of Revenue
Michael Heifetz, Administrator – Executive Budget and Finance;
Department of Administration

Date: July 1, 2015

Re: Resubmitted Request: §. 238.15(3)(d) AND §. 238.16 REALLOCATION
OF TAX CREDITS



This memo supersedes the reallocation request memo delivered June 24, 2015. The memo submitted on June 24 incorrectly made the request under the 13.10 provision.

Pursuant to WI statutory provision §. 238.15 (3)(d) Stats., the Wisconsin Economic Development Corporation (WEDC) is authorized under passive review to reallocate tax credits under the Early Stage Seed Investment program for use under the Jobs Tax Credit program under §. 238.16. WEDC has determined that for the tax year 2013, including rollover from previous years, unallocated tax credits totaled \$42,369,585 from Angel tax credits and \$35,889,650 from Early Stage Seed tax credits. In addition, WEDC has also determined that there is currently more demand for the Jobs Tax Credit than available credits.

Under the Governor's budget proposal, the Jobs Tax Credit Program will sunset December 31, 2015 and be replaced by the new Business Development Tax Credit. Currently WEDC is awarding on average \$7.5 million per quarter under the Jobs Tax Credit program. To ensure business needs are met through the end of the calendar year, WEDC will reallocate \$15,000,000 in Early Stage Seed tax credits allocated under §. 238.15, the Early Stage Business Investment Program, to be utilized for eligible applicants under §. 238.16, the Jobs Tax Credit Program.

WEDC looks forward to your approval of our plan for reallocation. Please contact Rebecca Deschane at rebecca.deschane@wedc.org or Jake Kuester at jake.kuester@wedc.org if you have any additional questions.