



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #396

Enterprise Zone Credit Reestimate (General Fund Taxes -- Refundable Tax Credits and Other Payments)

[LFB 2023-25 Budget Summary: Page 217, #7]

CURRENT LAW

The enterprise zone program provides refundable tax credits that can be claimed for eligible expenses for increased employment, retaining employees, employee training, capital investment, and purchases from Wisconsin vendors. The Wisconsin Economic Development Corporation (WEDC) is responsible for designating enterprise zones, certifying taxpayers, allocating and verifying tax credits, and performing other general administrative functions related to the enterprise zone program. Under the state's accounting system, refundable credits are paid from a sum sufficient GPR appropriation.

As adjusted by the sum sufficient reestimates in LFB Paper #106 adopted under Motion #12, funding for the enterprise zone program is \$54,100,000 in 2023-24 and \$35,500,000 in 2024-25.

MODIFICATION

Increase funding under the sum sufficient GPR appropriation for the enterprise zone program by \$525,000 in 2024-25. As a result, total estimated GPR funding for the credit would be \$54,100,000 in 2023-24 and \$36,025,000 in 2024-25.

Explanation: On May 25, 2023, the Joint Committee on Finance approved WEDC's request to designate an enterprise zone for Charter Next Generation Inc. Based on the disbursement schedule in its contract with WEDC, it is estimated that GPR expenditures will increase by \$525,000 in 2024-25.

Change to Base	
GPR	\$525,000

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