

# Invest Wisconsin

## 1. **Broadband Deployment Tax Credit:**

- This bill is going to provide tax incentives for broadband companies to ensure that an investment will be made in un- and underserved areas of the state.
- Credits will be provided to these companies on the sales and use tax that they pay on infrastructure, as long as they reinvest that money into more broadband deployment.
- The Wisconsin Department of Commerce will be the administrator of determining granting credit, but the credit granting process will also have legislative oversight.

## 2. **Entrepreneur Package:**

- Eliminate Capital Gains Tax for those who invest long-term cap gains in Wisconsin businesses. The capital gains tax elimination will be phased in over time.
- Repeal the Shareholder Wage lien statute
- Increase the number of security holders from 25 to 100 under the sec. 551(10) exemption.
- Increase the number of security offers from 25 to 300 under the sec. 551.232(11) exemption, or under such exemption permit sales to 100 security holders.
- Eliminate all prohibitions on advertising of offerings for all exemptions, assuming advertising is filed simultaneously with its use and is subject to anti-fraud provisions.
- Increase the amount of capital that can be raised under sec. 2.028 from \$5 million to \$20 million.
- Facilitate the raising of venture capital by providing a tax credit to broker-dealers of 10% of the first \$500,000 raised in an offering of a Qualified New Business Venture in any 12-month period.
- Permit any finders to be able to receive a fee for finding investors of up to \$2 million in a 12-month period under Wisconsin exemptions without a requirement of being licensed.

## 3. **Innovation Tax Credit:**

- The proposal is modeled after Ohio's low-interest loan program for innovation.
- This bill will provide tax credits for eligible innovation projects. An "eligible innovation project" is all tangible and intangible property related to new product or processes based on new technology or the creative application of existing technology, including some R&D, product or process testing, quality control, market research and related activities.
- The object is to help existing companies change how they do business in order to compete in the global market place.

## 4. **Self-Dealing Legislation (SB 338):**

- Senate Bill 338 is in the Senate Economic Development committee.
- This bill is a bi-partisan bill that is authored by Senators Kanavas and Risser as well as Representatives Lamb and Berceau; and, was brought to our attention from the University of Wisconsin-Madison.
- Governor Doyle has stated that this bill is in his 2005 Grow Wisconsin Initiative.
- Senate Bill 338 seeks to create an exemption to section 946.13 of the Wisconsin State Statutes.
- Current law prohibits a public officer or employee from making or performing a contract in their official capacity if they have a private pecuniary interest in the contract and if their official involvement in the contract requires the exercise of discretion. Significant penalties are levied on the offenders.

- This bill states that a contract between a research company and the University of Wisconsin System employee would not be against the law as long as the contract is approved by a UW-System officer or board responsible for evaluating and managing the conflicts of interest.
- The purpose of this bill is to allow faculty and staff the ability to assist or start-up their own spin-off companies from innovations that they have been able to create in their own research.

**5. Sales and Use Tax Exemption for Bio-Technology (SB 435):**

- This came from the Governor's Grow Wisconsin: 2005 Agenda. The governor's office called and asked that Senator Kanavas draft this legislation.
- Define "biotechnology business" and create five biotechnology-related sales and use tax exemptions. Two exemptions would apply to businesses raising laboratory animals that are sold to biotechnology businesses or certain other entities and three exemptions would apply to biotechnology businesses.
- The Wisconsin Biotechnology and Medical Device Association supports

**6. Tax Reform Package:**

- The Tax Reform Package is made up of numerous that will change the way in which the Wisconsin Department of Revenue regulates Wisconsin businesses.
- This is to provide more tax certainty for businesses who are subject to taxation by the state of Wisconsin.

**7. R&D Tax Credits for small engines (SB 103):**

- SB 103 is currently in Joint Committee on Finance awaiting a hearing.
- The fiscal effect is \$2.5 million in the next biennium

**8. Bio-Tech Compact Joint Resolution (SJR 52):**

- This would be a Senate Joint Resolution asking the Governor, and the Governors of the Midwest States to join a bio-tech compact in an effort to compete with states like California for research purposes.
- This is not binding legislation, but it is part of our vision for a cooperative effort of Biotechnology research in the Midwest.

**9. Biomedical Technology Alliance (SB 372):**

- This was vetoed by Governor Doyle in the budget because of the original funding source.
- Governor Doyle said he supports giving \$2 million to the BTA through GPR.

**10. 2003 Act 255 Clean Up-Legislation (SB 290):**

- Senate Bill 290 passed the Senate on a vote of 32-0 and awaits action by the Assembly.
- The intent of this legislation is to make changes to this program to ensure that the roll-out of the original Act 255 fulfills the drafting intent.
- No fiscal effect

**11. Job Preservation Act or manufacturer and seller liability (SB402/AB 778):**

- This proposal restores the basic, traditional rules relating to the establishment of liability in product liability cases for manufacturers and sellers of products in Wisconsin.
- It establishes a level of certainty that was eroded in the *Thomas* case and is intended to improve our litigation atmosphere in Wisconsin.

- At the same time, this bill preserves the sanctity of Article I, Section 9 of the Wisconsin Constitution in the very narrow circumstances of the *Collins* case.

**12. Airport Development Zone and Loan Program (SB 136/AB 223):**

- Creates an income and franchise tax credit for businesses located within an airport development zone.
- Creates a loan program for certain construction projects in the airport development zone.
- This bill caps the credits at a maximum of \$9 M.
- The credits may only be taken if qualified development and job growth occurs.
- There are 34 airports statewide that would qualify for this program.
- This bill is currently in the Joint Committee on Finance awaiting action.

**13. The Wisconsin Advantage Jobs Training Bill (SB 129/AB 241):**

- Proposes to transfer the Business Employees Skills Training Grant (BEST) program from the Department of Commerce to the WI Technical College System Board (WTCSB) and rename the program the WI Advantage Jobs Training Program.
- Changes criteria for applicants from businesses with no more than 25 employees and no more than \$2.5 million in gross annual income in prior year under BEST to no more than 50 employees and no more than \$5.0 million in gross annual income in prior year. (This will be offered as an amendment to bill at JFC. As currently drafted, the number of employees is no more than 100 employees.)
- Transfer to WTCSB allows a more regional approach to worker (re)training and focuses on connecting small businesses with technical colleges. Currently, under the BEST program at Commerce priorities for (re)training are set on a statewide basis.