



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-2397/1  
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## 2015 SENATE BILL 162

May 14, 2015 - Introduced by Senators LASSA, CARPENTER, ERPENBACH, RINGHAND, HARRIS DODD and HANSEN, cosponsored by Representatives KOLSTE, BARCA, ZAMARRIPA, JOHNSON, JORGENSEN, POPE, MASON, OHNSTAD, DOYLE, KAHL, BILLINGS, DANOU, BOWEN, STUCK, HEBL, SUBECK, GENRICH, BERCEAU, MEYERS, SINICKI, BROSTOFF, SPREITZER, MILROY, RIEMER, C. TAYLOR, SHANKLAND, WACHS, HESSELBEIN, SARGENT and GOYKE. Referred to Committee on Economic Development and Commerce.

1 **AN ACT to create** 238.14 of the statutes; **relating to:** entrepreneurial tax credit  
2 access grants.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the Wisconsin Economic Development Corporation (WEDC) may certify a person to receive, or a person may otherwise qualify for, income and franchise tax credits based on the person's expenditures in this state related to the person's business. This bill directs WEDC to establish a grant program under which WEDC may award a grant to a person who wishes to secure financing to make expenditures that would qualify for such tax credits. A person is eligible to receive a grant if the expenditures are made for a business located in this state that has fewer than 25 employees in this state or less than \$5,000,000 in gross receipts. No person may receive a grant unless the person has submitted business and financing plans to a commercial lending institution and submitted copies of the plans to WEDC. Before awarding a grant, WEDC must verify that the lender has approved the person's plans and will underwrite a loan for expenditures, contingent on the person receiving a grant. Under the bill, a person who receives a grant to secure financing for making an expenditure that would qualify for a tax credit may not claim a credit for that expenditure.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

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1           **SECTION 1.** 238.14 of the statutes is created to read:

2           **238.14 Entrepreneurial tax credit access grants.** (1) The corporation  
3 shall establish and administer a program to make grants under this section. The  
4 corporation may award a grant under the program to a person who intends to use the  
5 grant to secure financing for making expenditures that would qualify for a credit  
6 under s. 71.07 (2dy) or (3g) (a) 2., 71.28 (1dy) or (3g) (a) 2., or 71.47 (1dy) or (3g) (a)  
7 2., if the expenditures are made for a business located in this state that has fewer  
8 than 25 employees in this state or less than \$5,000,000 in gross receipts for the  
9 taxable year in which the person applies for a grant under this section.

10           (2) Any person who wishes to receive a grant under this section shall complete  
11 and submit an application to the corporation and enter into an agreement with the  
12 corporation to use the grant to secure financing for making expenditures described  
13 under sub. (1) and to repay any or all of the grant proceeds to the corporation if the  
14 person fails to comply with the agreement. An agreement under this subsection may  
15 provide that repayment shall be obtained through full or partial repayment of the  
16 principal amount of the grant plus interest, through receipt of a share of future  
17 profits from or an interest in a product or process, or through any other appropriate  
18 means.

19           (3) (a) No person may receive a grant under this section unless the person has  
20 submitted business and financing plans to a commercial lending institution and  
21 submitted copies of the plans to the corporation. Before awarding a grant, the  
22 corporation shall verify that the lender has approved the person's plans and will  
23 underwrite a loan for expenditures described under sub. (1), contingent on the  
24 person receiving a grant under this section.

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1 (b) The amount of any grant awarded under this section is the amount equal  
2 to 95 percent of the tax credit that the recipient could otherwise receive for making  
3 expenditures described under sub. (1), except that the amount of the grant may not  
4 exceed an amount equal to 20 percent of the cost of the project that is being financed.

5 (c) The corporation shall require, as a condition of the grant, that the recipient  
6 contribute to a project an amount that is not less than the amount the recipient  
7 receives as a grant under this section.

8 (4) A person who receives a grant under this section to secure financing for  
9 making an expenditure described under sub. (1) may not claim a credit under s. 71.07  
10 (2dy) or (3g) (a) 2., 71.28 (1dy) or (3g) (a) 2., or 71.47 (1dy) or (3g) (a) 2. for that  
11 expenditure.

12 (5) (a) The corporation shall pay grants under this section from the  
13 appropriation under s. 20.192 (1) (r). The total amount that the corporation may  
14 award under this section in a fiscal year is \$8,000,000.

15 (b) The corporation shall establish policies and procedures to administer this  
16 section.

17 (c) The corporation may not award grants under this section after January 1,  
18 2017.

19 (END)