

Fiscal Estimate Narratives
WEDC 2/24/2012

LRB Number 11-4074/1	Introduction Number AB-0601	Estimate Type Original
Description The angel investment and early stage seed investment tax credit programs		

Assumptions Used in Arriving at Fiscal Estimate

2011 AB 601 provides the following changes to the angel investment and early stage seed investment tax credit programs:

1. Requires, in addition to other certification requirements, that to be certified as a qualified new business venture a business must agree to stay in Wisconsin for at least three years following the receipt of a bona fide angel investment and must pay a penalty to WEDC if the business relocates outside of the state within three years of receiving the investment.
2. Provides that a person who holds an investment less than three years does not have to repay the tax credit if the investment becomes worthless or if a bona fide liquidity event occurs.
3. Removes the \$47.5 million cap for angel investment credits.

The Wisconsin Economic Development Corporation will administer these changes using existing resources.

Long-Range Fiscal Implications