

Fiscal Estimate Narratives

DFI 1/26/2016

LRB Number 15-2543/1	Introduction Number AB-0775	Estimate Type Original
Description Fees for a foreign corporation's certificate of authority, withdrawal of a certificate of authority, and annual report		

Assumptions Used in Arriving at Fiscal Estimate

Entities must file documents with the Department of Financial Institutions and pay a fee in order to do business in this state. The fee to incorporate as a "domestic" business, created in Wisconsin, is \$100. Each year, the company must file a report along with a fee of \$25 for an on-line filing or \$40 for a paper filing. The fee to file as a "foreign" corporation, or one created in a different state, is \$100. The annual report fee for foreign corporations is \$65 on-line or \$80 on paper. In addition, these corporations created in a state other than Wisconsin must also pay a capital-based fee of \$3 for every \$1,000 in capital exceeding \$60,000 employed or to be employed in the state. The fee for an application for a certificate of withdrawal is \$40 plus, a fee to make up any proportion of the capital-based fee not previously paid.

The documents filed with the Department provide information for the public to be able to locate a corporation and company management information, including principal officers and directors.

This bill establishes a different fee structure for a foreign corporation certified as a "Qualified New Business Venture" (QNBV) by the Wisconsin Economic Development Corporation. It removes the additional capital-based fee for a new filing, annual report, and certificate of withdrawal for corporations certified by WEDC as meeting the criteria established in s. 238.15, Wis. Stats.

The elimination of the capital-based fee for these entities will reduce revenue to the Department. The Wisconsin Economic Development Corporation estimated approximately 190 companies currently certified as QNBV's, with roughly 25 to 50 of those certified companies created in a different state. WEDC also estimated that approximately 4 to 8 new corporations would qualify each year. The change in revenue is indeterminate as specific corporations and fees paid cannot be identified.

The filing systems will need to be updated to enable identification of a QNBV and update the fee calculation. Information technology costs associated with these changes are estimated at approximately 1,000 project hours, or expenditures of \$70,000.

Long-Range Fiscal Implications