

Report From Agency

# RULE REPORT

## Department of Commerce

Clearinghouse Rule No.: 09-082

Rule No.: Chapter Comm 129

Relating to: Tax Credits for Angel Investments and Early Stage Seed Investments

*Contact person for substantive questions:*

*Contact person for internal processing:*

Name Sam Rockweiler Name (same)

Title Code Development Consultant Title \_\_\_\_\_

Telephone Number 266-0797 Telephone Number \_\_\_\_\_

1. Basis and purpose of the proposed rule.

As required by section 560.205 (3) (d) of the Statutes, these proposed rule changes would update chapter Comm 129 to make it consistent with the portions of 2007 Wisconsin Act 20 and 2009 Wisconsin Act 2 that address tax credits for angel investments and early stage seed investments.

2. How the proposed rule advances relevant statutory goals or purposes.

The proposed rules are consistent with the Department's statutory duty to foster the growth and diversification of the economy of Wisconsin.

3. Changes to the rule analysis or fiscal estimate that was prepared for public hearing.

No substantive changes were made to the rule analysis or fiscal estimate.

COM-10550 (R.02/04)

# FINAL REGULATORY FLEXIBILITY ANALYSIS

## Department of Commerce

CLEARINGHOUSE      RULE    09-082  
NO.: \_\_\_\_\_

RULE NO.: Chapter Comm 129

RELATING TO: Tax Credits for Angel Investments and Early Stage Seed Investments

Final regulatory flexibility analysis not required. (Statement of determination required.)

1. Reason for including or failing to include the following methods for reducing impact of the rule on small businesses: Less stringent compliance or reporting requirements; less stringent schedules or deadlines for compliance or reporting requirements; simplification of compliance or reporting requirements; establishment of performance standards to replace design or operational standards; exemption from any or all requirements.

Less stringent requirements are not proposed for small businesses because the directing legislation, section 560.205 of the Statutes, does not provide such flexibility.

2. Issues raised by small businesses during hearings, changes in proposed rules as a result of comments by small businesses and reasons for rejecting any alternatives suggested by small businesses.

Small businesses recommended (1) an informational Note for clarifying the purpose of side-by-side investments by in-state investors, for investments by out-of-state investors and (2) allowing approval of eligibility for tax credits that are then issued in the following year, for qualifying investments that are submitted after all available credits are issued in an individual year. The Department has incorporated both recommendations into the proposed rules.

COM-10538 (N.03/97)

*(Continued on reverse side)*

3. Nature and estimated cost of preparation of any reports by small businesses.

The transfer of tax credits that is newly enabled by the proposed rules includes filing a required notice with the Department, but the cost of this notice is not expected to be significant.

4. Nature and estimated cost of other measures and investments required of small businesses.

The rules are not expected to impose significant costs on small businesses for other measures because the rules address submittal of documentation, and other activities, only by applicants that choose to pursue tax credits for angel investments and early stage seed investments.

5. Additional cost to agency of administering or enforcing a rule which includes any of the methods in 1. for reducing impact on small businesses.

None of the methods listed in 1. for reducing small-business impacts are included in the proposed rules.

6. Impact on public health, safety and welfare caused by including any of the methods in 1. for reducing impact on small businesses.

None of the methods listed in 1. for reducing small-business impacts are included in the proposed rules.



# RESPONSE TO LEGISLATIVE COUNCIL CLEARINGHOUSE REPORT

## Department of Commerce

CLEARINGHOUSE RULE NO.: 09-082

RULE NO.: Chapter Comm 129

RELATING TO: Tax Credits for Angel Investments and Early Stage Seed Investments

Agency contact person for substantive questions.

Name: Sam Rockweiler

Title: Code Development Consultant

Telephone No. 266-0797

Legislative Council report recommendations accepted in whole.

Yes

No

1. Review of statutory authority [s. 227.15(2)(a)]

a.  Accepted

b.  Accepted in part

c.  Rejected

d.  Comments attached

2. Review of rules for form, style and placement in administrative code [s. 227.15(2)(c)]

a.  Accepted

b.  Accepted in part

c.  Rejected

d.  Comments attached

COM-10539 (N.03/97)

*(Continued on reverse side)*

3. Review rules for conflict with or duplication of existing rules [s. 227.15(2)(d)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
4. Review rules for adequate references to related statutes, rules and forms [s. 227.15(2)(e)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
5. Review language of rules for clarity, grammar, punctuation and plainness [s. 227.15(2)(f)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
6. Review rules for potential conflicts with, and comparability to, related federal regulations [s. 227.15(2)(g)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected
  - d.  Comments attached
7. Review rules for permit action deadline [s. 227.15(2)(h)]
- a.  Accepted
  - b.  Accepted in part
  - c.  Rejected

d.  Comments attached