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## State of Misconsin 2021 - 2022 LEGISLATURE

LRB-5239/1 MPG:amn

## **2021 SENATE BILL 729**

November 30, 2021 – Introduced by Senators Feyen, Ballweg, Cowles, Darling, Pfaff, Ringhand and Wanggaard, cosponsored by Representatives Zimmerman, McGuire, Armstrong, Cabral-Guevara, Dallman, Drake, Horlacher, Kuglitsch, Loudenbeck, Macco, Moses, Neylon, Novak, Penterman, Plumer, Rozar, Schraa, Skowronski, Snyder, Tusler, Vruwink and Wittke. Referred to Committee on Financial Institutions and Revenue.

- $f AN\ ACT$  to renumber and amend 238.15 (1) (b); and to create 238.15 (1) (b) 1.,
- 2 2., 3. and 4. of the statutes; **relating to:** qualified new business venture eligibility.

### Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Economic Development Corporation may certify certain businesses as "qualified new business ventures" for purposes of receiving investments that qualify the investors for tax credits under the angel and early stage seed investment tax credit program. WEDC may certify a business as a qualified new business venture if, among other requirements, at least 51 percent of the employees employed by the business are employed in Wisconsin.

Under this bill, a business remains eligible for certification as a qualified new business venture if it fails to satisfy that 51 percent in-state employment requirement due to a business merger or acquisition, provided that all of the following apply:

- 1. The business maintains its headquarters in Wisconsin.
- 2. After the merger or acquisition, the business increases the number of employees the business employs in Wisconsin.
- 3. WEDC determines that the merger or acquisition was not for the purpose of relocating the business's operations or employees outside Wisconsin or for the purpose of ceasing the business's efforts to further grow and expand in Wisconsin.

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4. The business satisfies the 51 percent in-state employment requirement within approximately 12 months after the merger or acquisition occurs.

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

**SECTION 1.** 238.15 (1) (b) of the statutes is renumbered 238.15 (1) (b) (intro.) and amended to read:

238.15 (1) (b) (intro.) At least 51 percent of the employees employed by the business are employed in this state, except that if a business fails to satisfy this paragraph in any year due to a business merger or acquisition, the corporation may grant the business a waiver that allows the business to remain eligible for certification or recertification under this subsection if all of the following apply:

- **SECTION 2.** 238.15 (1) (b) 1., 2., 3. and 4. of the statutes are created to read: 238.15 (1) (b) 1. The business maintains its headquarters in this state.
- 2. After the merger or acquisition, the business increases the number of employees the business employs in this state.
- 3. The corporation determines that the merger or acquisition was not for the purpose of relocating the business's operations or employees from this state to another state or for the purpose of ceasing the business's efforts to further grow and expand in this state.
- 4. No later than the first day of the 13th month beginning after the date of the merger or acquisition, at least 51 percent of the employees employed by the business are employed in this state.

19 (END)