

Legislative Alert

Wisconsin Moves Forward on Incentive Bills

Atlas Insight assists companies from all industry sectors and geographies to negotiate and secure tax credits and incentives for business investment and job creation/retention.

The professionals at Atlas Insight are industry leaders in the field of corporate site selection and incentive procurement.

We help to choose locations for all types of business facilities that meet the long-term needs of those operations, while helping to achieve overall corporate goals.

Our team has extensive experience in all corporate sectors and has consulted on many sensitive projects for some of the world's largest corporations. We strive for excellence with every client we serve.

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Target Audience: Business with WI operations

To start the 2011 legislative session, the Governor of Wisconsin has recently signed a series of bills which will have significant impacts on state tax credits and incentives:

Relocation Tax Credits

Special Session Assembly Bill 3 creates an income and franchise tax credit for the first two years after a business relocates its operations from another state or country into Wisconsin. **The credit is equal to the amount of the taxpayer's income or franchise tax liability after applying all other credits, deductions, and exclusions.** To qualify, a company must not have operated within Wisconsin for the 2 prior years, and must relocate at least 51% or \$200,000 of its payroll into the state.

Job Creation Tax Deduction

Special Session Assembly Bill 7 creates a tax deduction for businesses creating new jobs within the state. The deduction is calculated on a per job basis and the amount is based on the company's gross receipts as follows:

<u>Gross Receipts</u>	<u>Deduction</u>
Under \$5 million	A \$4,000 deduction for each new job
Over \$5 million	A \$2,000 deduction for each new job

While the deduction may benefit some companies, competitive job creation projects should first consider applying for Economic Development Job Tax Credits which can provide for a **credit for up to \$7,000 per job.**

Creation of an Economic Development Department

Special Session Assembly Bill 6 creates the Wisconsin Economic Development Corporation (WEDC). The WEDC will be a public-private agency charged with developing and administering economic development programs to provide support to companies that are investing and creating jobs in Wisconsin. This represents a shift away from the Department of Commerce for business attraction efforts. Funding for the new Agency will be appropriated later this year from the Department of Commerce's budget. The impact that this will have on existing Department of Commerce programs will not be known until later this year.

Recommended Action:

If your business is currently located in Wisconsin or is considering an expansion in the state, then the recent legislative changes may present additional incentive opportunities. Atlas Insight is prepared to help your company navigate these legislative changes and ensure that your project receives the maximum incentives possible.