

Wisconsin Technology Council: State Senate joins Assembly in unanimous support for improving Wisconsin's investor tax credit law

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MADISON, Wis. – The Wisconsin Senate voted, 33-0, Tuesday to approve Assembly Bill 759, which will make it easier for young companies to stay put in Wisconsin as they grow and add jobs while expanding beyond its borders.

The effort to pass the bill was led by the Wisconsin Technology Council. It was previously passed unanimously in the 99-seat Assembly. It will now go to Gov. Tony Evers for his consideration and possible signing into law.

The bill amends Wisconsin's "Qualified New Business Venture" law, which took effect in January 2005 and remains a leading bipartisan example of how to carefully lever state tax credits for angel and venture capital investors who risk money in startups and emerging companies.

Under that law, qualified investors can get a 25% state tax credit on investments in QNBV companies that meet a prescribed set of conditions, including maintaining 51% of their employees and a headquarters in Wisconsin. Over time, the law has led to hundreds of millions of private dollars in Wisconsin investments.

The overall success of early stage investing in Wisconsin was reflected in 2021 figures from the Wisconsin Technology Council, which has thus far recorded \$852 million in 120 individual deals. A final report will be made in the annual "Wisconsin Portfolio." The 2021 dollar figures already eclipse the previous annual total by \$368 million.

Assembly Bill 759 allows young companies that acquire or merge with similar companies elsewhere a year to remain in compliance with the 51% employment rule, while working with the Wisconsin Economic Development Corp. to make sure other conditions are met.

“Wisconsin companies, particularly those that attract angel and venture capital, cannot compete by doing business in Wisconsin alone. They do business in regional, national and even global arenas, and often need a sales force or other hubs on the ground beyond our borders,” Tech Council President Tom Still said. “We thought this bill was important to keep young companies growing in Wisconsin and avoid a risk of them being ‘poached’ by other states.”

Lead legislative sponsors were Sen. Dan Feyen, R-Fond du Lac; Sen. Brad Pfaff, D-Onalaska; Rep. Shannon Zimmerman, R-River Falls; and Rep. “Tip” McGuire, D-Kenosha. They were joined by many members the Legislature’s informal Tech Caucus.

For more information on the bill, go to www.wisconsintechcouncil.com and search QNBV in the newsroom.