



Please Support Changes to the Qualified New Business Venture Program

The QNBV Program incentivizes equity investment in technology-based businesses in the state of Wisconsin with a 25% tax credit to eligible Angel and Venture Fund investors who make cash equity investments in qualified early-stage businesses. The investments encouraged by this program provide the capital necessary for emerging growth companies to develop new products and technologies, move products to market and provide high-quality jobs in Wisconsin.

LRB 1082 & LRB 1083 make updates to the QNBV program to encourage investments in Wisconsin early stage businesses and open the door for more participation in the program.

LRB 1082 & 1083: CHANGES TO QNBV

LRB 1083: transferring the angel investment tax credit

This bill allows the angel investment tax credit to be sold or transferred to another person who is subject to Wisconsin individual income tax. The person must notify the Wisconsin Economic Development Corporation (WEDC) and the Department of Revenue (DOR) of the transfer. The person can only sell or transfer the credit once per year, and WEDC can charge a fee of up to 5 percent of the credit amount. WEDC testified that this Angel Tax Credit use could increase by **\$4M** or more which means an anticipated **\$16M** or more in Wisconsin investment.

Increases Economic Opportunities in WI

LRB 1082: modifying the certification criteria to be a qualified new business venture

The bill aims to modify the criteria for a business to be certified as a qualified new business venture by the WEDC.

Encourages Investment in Startups

Under current law, businesses seeking certification must meet one of two criteria:

1. Engage in, or commit to engage in, innovation in specific industries such as manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology; or be involved in processing or assembling products, including medical devices, pharmaceuticals, computer software and hardware, semiconductors, and other innovative technology products; or provide services enabled by applying differentiating technology.
2. Undertake pre-commercialization activity related to differentiating technology, including conducting research, developing a new product or business process, or developing a service principally reliant on applying differentiating technology.

Increases Business Participation in the QNBV Program

LRB 1082 simplifies the criterium above to: the business must demonstrate that it has the potential for increasing jobs or capital investment in Wisconsin and is undertaking pre-commercialization activity related to differentiating technology.

Makes WI more Competitive For Early Stage Investments