



Wisconsin Economic Development Association Inc.

TO: Members, Joint Committee on Finance

FROM: Patrick Drinan, on behalf of  
Wisconsin Economic Development Association

DATE: March 20, 2007

RE: **Support for Angel and Venture Capital Tax Credits**

The Wisconsin Economic Development Association (WEDA) strongly supports and respectfully urges inclusion of the above referenced provision in the proposed 2007-09 biennial budget bill.

Wisconsin has already seen the benefits of the Angel and Venture Capital Tax Credit program implemented from Act 255. It is critically important that Wisconsin continues to feed the pipeline of business development to enhance the vitality of Wisconsin's future economy. Small businesses will continue to be created by entrepreneurs and financed by small investors. Wisconsin needs: **more startup companies; more entrepreneurs; more investment to build our economic base; and, more opportunity for our educated youth.**

By providing a direct benefit to investors and businesses alike, the demand for available Angel credits exceeded supply and Venture Capital credits have ramped up faster than expected. The 2007-09 biennial budget bill calls for much needed increases of \$2.5 million annually for the Angel credits and \$2.5 million annually for the venture capital credit. The program offers 25% tax credits to investors based on their investment in qualified Wisconsin start-up companies.

These credits, which have been used by companies throughout Wisconsin, are designed to leverage private sector investment to fuel emerging and small businesses. We need to build on the success of the Act 255 Angel and Venture Capital Tax Credit program and continue to nurture and grow the entrepreneurial spirit through the state.

Please feel free to contact me (262-796-6694) or Amy Boyer (608-258-9506) if you have questions about this program.

Thank you.