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FOR MORE INFORMATION, CONTACT:
Rep. Debra Kolste, (608) 266-7503

REP. KOLSTE INTRODUCES BILL TO HELP SMALL BUSINESSES GROW
"Small Business Credit NOW" Grants Put Tax Credits to Use for Growing Companies

(MADISON) – Rep. Debra Kolste today introduced legislation aimed to help burgeoning businesses overcome financial hurdles during the critical early stages of growth.

Kolste (D-Janesville) has introduced LRB 1124, legislation to create "Small Business Credit NOW" grants. Small Business Credit NOW grants will make financing available to small businesses by allowing them to use state tax credits up front as equity in a financing package.

The bill is part of the Wisconsin Assembly Democrats' Economic Opportunity Agenda package. Assembly Democrats unveiled their package at a press conference today, which included 15 economic development proposals for 2015.

Small Business Credit NOW grants will allow small businesses, with fewer than 25 employees or less than \$5 million in gross receipts, to receive up-front grants in lieu of tax credits upon approval by the Wisconsin Economic Development Corporation (WEDC).

Kolste said that while many new businesses find themselves eligible for economic development tax credits, they don't yet have the up-front capital to put the tax credits to use.

"Too many small businesses looking to build or expand are caught in a 'Tax Credit Catch-22,' where they qualify for tax credits, but they can't take advantage of these economic benefits unless they expend capital first," Kolste said. "Small Business Credit NOW grants will help alleviate the small business credit crunch by providing more capital up-front for promising companies."

Small Business Credit NOW grants would have no fiscal impact, since the bill directs WEDC to allocate up to \$8 million from the existing WEDC Economic Development Fund to support the program.

Kolste said that small businesses and business startups are the backbone of Wisconsin's economy and contribute substantially to job creation. However, the margin between success and failure is often razor-thin, and many new businesses fail due to the lack of access to even a small amount of additional capital.

"One of the most frequently expressed concerns from small businesses is the difficulty to secure financing to grow," Kolste said. "Small Business Credit NOW grants will offer greater growth opportunities for small businesses, which will benefit our entire state's economy."

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