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 Business

Senate passes bill to expand investment tax credits

By [Patrick Marley](#) and [Kathleen Gallagher](#) of the Journal Sentinel

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Madison — The state Senate passed a bill Thursday to expand angel investment tax credits and improve links between businesses and university research.

The bill passed 32-1, with Democrats who control the Senate saying it would help spark the economy and Republicans saying it didn't go nearly far enough to turn it around.

"This bill will help get our economy back on track," Sen. Judy Robson (D-Beloit) said in a statement. "(The bill) contains a wide variety of job-creating tax credits. It invests in programs that will bring overseas jobs back to Wisconsin. And it will help businesses reopen shuttered factories with new green industries."

Republicans fiercely attacked their counterparts across the aisle, saying the state budget passed last year put a "wet blanket" on Wisconsin's business climate and that the bill doesn't go far enough to fix things.

"It's a little difficult to swallow any initiative that comes out of the majority party .&ensp.&ensp. and say this could ever repair the damage you've already done in this session with the tax increases," said Senate Republican Leader Scott Fitzgerald of Juneau. "You did destroy the idea that any of these companies will ever want to expand or grow here."

The bill now heads to the Assembly, which is controlled by Democrats. Democratic Gov. Jim Doyle backs the bill.

Democrats are calling the measure the [CORE Jobs bill](#), for Connecting Opportunity, Research and Entrepreneurship. Among the provisions in the bill is a plan to increase tax credits for investors in early-stage companies by \$3 million through mid-2011.

The bill would also:

-  Spend \$2 million to forge more research commercialization partnerships between small and midsize businesses and state academic research institutions.
-  Start a \$500,000 program to provide loans of \$1,000 to \$25,000 to new small businesses in areas of high unemployment.
-  Establish an ombudsman in the state Commerce Department to help businesses with permits and approvals, and have the authority to force state agencies to discuss issues with business.
-  Provide \$2 million for incentives to reopen shuttered factories for renewable energy production or manufacturing.
-  Establish an Emerging Technology Center at the University of Wisconsin-La Crosse with \$400,000 to spur research commercialization.

Hours before the state Senate was scheduled to vote on the bill, Senate Republicans proposed their own legislation they say would spark job creation in Wisconsin.

The Republican "[Wisconsin Jobs Now Agenda](#)" focuses on controlling government spending, reducing tax and regulatory burdens, lowering health care costs and revamping the educational system. It includes recommendations from discussions with more than 160 businesses around the state, Republicans say.

The Democrat's bill is "small potatoes" because it throws tiny amounts of money at 14 different programs, said Sen. Glenn Grothman (R-West Bend), the lone senator who voted against the bill.

Grothman and other Republicans encouraged the majority party to take a bigger-picture approach to what they say is an environment that spurns business.

"I hope you guys go back in your caucus and ask yourselves what big steps can we do to increase the business climate in this state," Grothman said.

Republicans complain about the budget, and items in it like a combined reporting tax - which requires companies to pay taxes on profits made at subsidiaries in other states and closed certain loopholes, said Senate Majority Leader Russ Decker (D-Weston). But states with Republican leaders such as Alaska, Arizona, Minnesota and Texas also have combined reporting, he said.

Years of Republican control didn't improve the state's tax ranking either, Decker said.

"You want to spend money and give tax breaks to the wealthy and well connected. We've seen the ramifications of that policy and the problems it got us into," Decker said.

Patrick Marley reported from Madison and Kathleen Gallagher from Milwaukee.



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