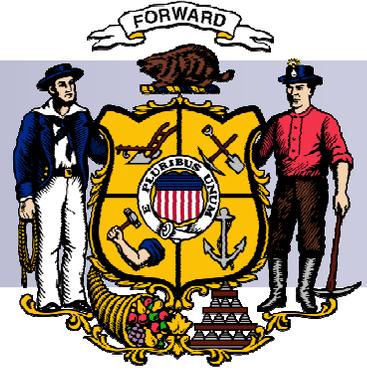


State Representative Samantha Kerkman

Legislative Update

2011-2012



- ◆ Acted to **expand the Jobs Tax Credit** by increasing from \$5 million to \$10 million the amount of jobs tax credits that WEDC may award. (2011 Act 88 / AB 1)
- ◆ Stimulated economic recovery with the creation of an **Income and Franchise Tax Deduction for Job Creation** allowing businesses to claim a deduction of \$2,000 or \$4,000 for each new FTE employee. (2011 Act 5 / January SS AB 7)
- ◆ Encouraged businesses to relocate to Wisconsin with a two-year income and franchise **Relocation Tax Credit** or deduction. (2011 Act 3 / January SS AB 3)
- ◆ Consolidated economic development programs into the **Economic Development Tax Credit** program and increased funding by \$25 million. (2011 Act 4 / January SS AB 4)
- ◆ Made changes to **Small Business Loan Guarantee** program to increase access to capital and spark utilization of the program. (2011 Act 79 / September SS SB 2)
- ◆ Supported a pilot project, **Wisconsin Workers Win** that allows employers to offer occupational training to Unemployment Insurance claimants. Job seekers receive specific training without losing their eligibility for UI and employers increase the probability of a good hire while reducing the usual risks and costs of hiring new employees. (2011 Act 123 / AB 450)
- ◆ Amended Tax Incremental Financing (TIF) law to allow cities and villages to jointly create **Multi-jurisdictional TIF Districts**. Multijurisdictional TIFs offer a way for multiple communities to coordinate and realize a true regional economic impact while mitigating the competition between neighboring communities in their efforts to recruit or retain businesses. (2011 Act 77 / AB 179)
- ◆ Implemented a Supermajority Requirement for any bill that increases the rate of the state sales tax, or any of the rates of the income or franchise tax. (2011 Act 9 / January 2011 Special Session AB 5)
- ◆ Supported job growth by co-authoring a bill that changed the calculation used for capping the value on Tax-Incremental Financing District (TID) #2 in Pleasant Prairie. Pleasant Prairie may now make improvements in the TID to allow expansion by existing companies and attract new businesses. (2011 Act 40 / SB 144)
- ◆ Authored a legislative solution after local officials identified a \$71 million over-valuation error in Twin Lakes' equalized value. Property tax payers were held harmless as a result and not subject to neither an erroneous tax increase nor the fluctuation that would have resulted when the DOR corrects their error in a subsequent year. (2011 Act 64 / AB 273)

Wage & Income Growth

The Wisconsin Department of Workforce Development reported Wisconsin wages were up 6.7% in the first quarter of 2012.

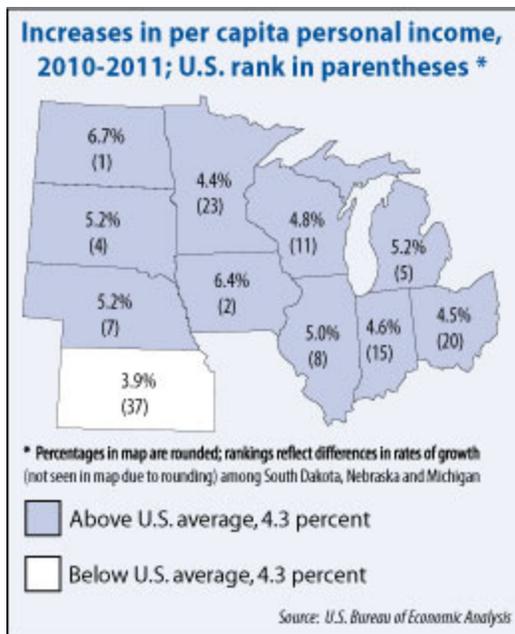
According to DWD reports, total wages in the first quarter of 2008 exceeded \$26.53 billion, but declined by 5% in the 2009 first quarter and declined again in the first quarter of 2010 by 3.8%.

However, first quarter wages increased in the first quarters of 2011 (6.9%) and 2012 (6.7%). The calculations are based on quarterly reports filed by all WI employers covered under state or federal UI showing monthly employment and quarterly total and taxable wages.

The Council of State Governments' *Stateline Midwest* June newsletter reports that in most Midwestern states, income growth is outpacing the nation's. An excerpt from that newsletter and accompanying graphics are reproduced below:

For every Midwestern state, per capita income is now higher than pre-recession levels. Between 2007 and 2009, it had nearly flatlined in Kansas and Wisconsin and actually dropped in Illinois, Indiana, Michigan, Minnesota and Ohio. One big reason why was a decline in earnings over that time in manufacturing, the leading private industry in seven Midwestern states: Indiana, Iowa, Kansas, Michigan, Minnesota, Ohio and Wisconsin. (It is also the second-largest industry in Illinois and Nebraska.)

Though manufacturing earnings have not yet returned to pre-recession levels in most Midwestern states, they are on the upswing and, thus, contributing to an overall increase in per capita income. States such as Iowa, Nebraska and South Dakota, meanwhile, are getting a major boost from the farm sector of their economies.



Leading drivers of growth between 2010 and 2011, by industry: % of contribution to state's overall increase in personal income (based on industry's earnings growth)

<p>Illinois</p> <ol style="list-style-type: none"> 1) Professional, scientific and technical services ~ 18.4% 2) Manufacturing ~ 12.6% 3) Farm ~ 11.4% 4) Wholesale trade ~ 10.2% 	<p>Indiana</p> <ol style="list-style-type: none"> 1) Manufacturing ~ 20.1% 2) Health care/social insurance ~ 11.9% 3) Farm ~ 11.0% 4) Professional, scientific and technical services ~ 10.2% 	<p>Iowa</p> <ol style="list-style-type: none"> 1) Farm ~ 45.8% 2) Manufacturing ~ 11.0% 3) Health care/social insurance ~ 7.3% 4) Finance/insurance ~ 6.7%
<p>Kansas</p> <ol style="list-style-type: none"> 1) Administrative and waste management services ~ 14.9% 2) Finance/insurance ~ 10.9% 3) Manufacturing ~ 10.9% 4) Professional, scientific and technical services ~ 10.1% 	<p>Michigan</p> <ol style="list-style-type: none"> 1) Manufacturing ~ 28.8% 2) Professional, scientific and technical services ~ 17.2% 3) Health care/social insurance ~ 8.8% 4) Administrative and waste management services ~ 7.8% 	<p>Minnesota</p> <ol style="list-style-type: none"> 1) Manufacturing ~ 16.6% 2) Finance/insurance ~ 15.0% 3) Professional, scientific and technical services ~ 12.5% 4) Wholesale trade ~ 9.9%
<p>Nebraska</p> <ol style="list-style-type: none"> 1) Farm ~ 39.3% 2) Health care/social insurance ~ 12.0% 3) Manufacturing ~ 7.8% 4) Professional, scientific and technical services ~ 6.5% 	<p>North Dakota</p> <ol style="list-style-type: none"> 1) Mining ~ 31.5% 2) Construction ~ 13.6% 3) Transportation and warehousing ~ 13.5% 4) Wholesale trade ~ 12.3% 	<p>Ohio</p> <ol style="list-style-type: none"> 1) Manufacturing ~ 21.9% 2) Professional, scientific and technical services ~ 13.3% 3) Health care/social insurance ~ 8.6% 4) Farm ~ 7.0%
<p>South Dakota</p> <ol style="list-style-type: none"> 1) Farm ~ 43.5% 2) Manufacturing ~ 12.2% 3) Health care/social insurance ~ 9.7% 4) Wholesale trade ~ 6.6% 	<p>Wisconsin</p> <ol style="list-style-type: none"> 1) Manufacturing ~ 22.9% 2) Farm ~ 15.0% 3) Health care/social insurance ~ 9.1% 4) Professional, scientific and technical services ~ 7.9% 	

Source: CSG Midwest calculations (based on U.S. Bureau of Economic Analysis data)

- Alabama (#38)
- Alaska (#47)
- Arizona (#22)
- Arkansas (#20)
- California (#40)
- Colorado (#8)
- Connecticut (#44)
- Delaware (#43)
- Florida (#29)
- Georgia (#9)
- Hawaii (#49)
- Idaho (#13)
- Illinois (#26)
- Indiana (#14)
- Iowa (#12)
- Kansas (#15)
- Kentucky (#36)
- Louisiana (#42)
- Maine (#35)
- Maryland (#31)
- Massachusetts (#28)
- Michigan (#33)
- Minnesota (#11)
- Mississippi (#46)
- Missouri (#27)
- Montana (#24)
- Nebraska (#6)
- Nevada (#45)
- New Hampshire (#19)
- New Jersey (#41)
- New Mexico (#36)
- New York (#34)
- North Carolina (#4)
- North Dakota (#5)
- Ohio (#25)
- Oklahoma (#23)
- Oregon (#18)
- Pennsylvania (#30)
- Rhode Island (#50)
- South Carolina (#32)
- South Dakota (#7)
- Tennessee (#16)
- Texas (#1)
- Utah (#2)
- Vermont (#39)
- Virginia (#3)
- Washington (#21)
- West Virginia (#48)
- Wisconsin (#17)
- Wyoming (#10)

#17 Wisconsin



Category	Score	2012 Rank	2011 Rank
Cost of Doing Business	224	15	13
Workforce	123	43	46
Quality of Life	226	14	19
Infrastructure & Transportation	217	6	22
Economy	125	34	22
Education	149	10	15
Technology & Innovation	132	20	21
Business Friendliness	92	27	28
Access to Capital	46	27	27
Cost of Living	28	23	23
OVERALL	1362	17	25

In "Top States For Business" rankings released by CNBC on July 10, Wisconsin climbed eight spots over 2011 to improve its position to #17.

In 2012, Wisconsin improved or scored the same as it did in 2011 in eight out of ten categories.

Category descriptions, as well as charts ranking the states by category are available at: <http://www.cnbc.com/id/47818843>.

SOURCE: all info this page, CNBC.