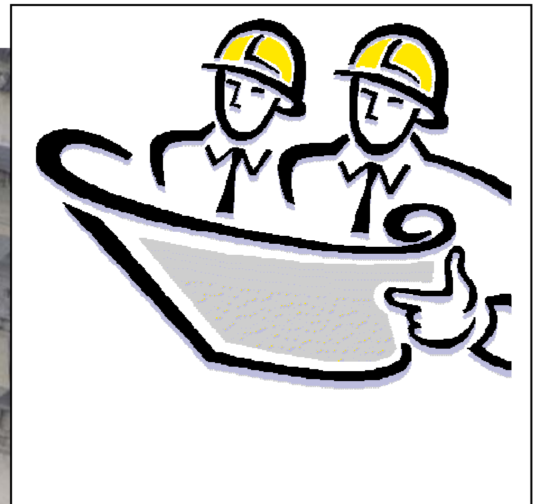
Mississippi River Region
Business Financing Resource Guide
2010



Prepared by the Mississippi River Regional Planning Commission, May 2010.

ABSTRACT

Title Mississippi River Region Business Financing Resource Guide, 2010

Published: 2010

Subject Studied: Revolving loan funds, Small Business Administration programs, and state and federal tax credits that would be useful to businesses starting up or expanding in Western Wisconsin

Funding Source: US Department of Commerce – Economic Development Administration and Mississippi River Regional Planning Commission through county funding from Buffalo, Crawford, Jackson, La Crosse, Monroe, Pepin, Pierce, Trempealeau, and Vernon Counties' Boards of Supervisors

Author: Mississippi River Regional Planning Commission:
Bryan Law, Economic Development Planner and principal author
Greg Flogstad, AICP, Director
Barbara Buros, Administrative Assistant

Acknowledgements: We would like to thank the following individuals and organizations for sharing their time and expertise:
Becky L. Freund, Small Business Administration
Carl Duly, UW-Extension
Daniel Lauersdorf, City of Mondovi
Kyle Deno, Jackson County
Lawrence Kirch, City of La Crosse
Ken Witt, City of Sparta
Rachel Muehlenkamp, City of Tomah
Tina Osterberg, Monroe County
Evelyn Hanson, Village of Kendall
Terry Mesch, Pepin County
Bill Warner, Pierce County
Bryann Johnson, City of Osseo
Lynn Johnson, City of Whitehall
Matt Giese, City of Viroqua
Fay Urban, City of Hillsboro
Ron Hoff, Vernon County
Marilyn Huckenpoehler, CouleeCAP
Craig Harmes, Dairyland Power
Paul Ammerman, Impact Seven

This report was prepared by the Mississippi River Regional Planning Commission under an award from the U.S. Department of Commerce – Economic Development Administration. The statements, conclusions, and recommendations are those of the author and do not necessarily reflect the view of the Economic Development Administration. Project No.: 06-83-05289, May 2010.

Mississippi River Region Business Financing Resource Guide 2010

Table of Contents

Introduction

Business development in the Mississippi River Region relies on the dynamic and varied economy of the area. From manufacturing in urban centers, to agribusiness in the rural areas, to small-scale entrepreneurism everywhere, the Mississippi River Region has the building blocks of sustainable prosperity. This is an important base on which to build, since parts of the Region have some of Wisconsin's most economically challenged communities. The key to strengthening the Region's economy and maintaining prosperity is the development of a business climate that is favorable to growth, which in turn provides better jobs for talented workers and increases the tax base.

To capture the Region's economic dynamism and build a strong future, businesses need access to capital from their start-up, through their expansion, and continuing their operations once they reach maturity. Matching capital with productive enterprises is often one of the biggest challenges, and it goes beyond the usual need for lenders to feel secure in the risks they take in making loans. Although there is an array of funding opportunities available to small and large businesses, the very number of these opportunities is daunting, confusing, and can be overwhelming. Many funding opportunities might go unutilized by the businesses who would benefit most from them, simply because those businesses did not know about or understand the funding opportunities open to them.

This document is an attempt to gather some of the most prominent and useful business funding opportunities in one place, so that businesses, lenders, and economic development professionals can have ready access to summaries of the various funding opportunities available to them. Importantly, this document will also demonstrate how these various funding mechanisms can be used together, since many business projects involve a combination of various sources and uses of funds. The three major funding types discussed in this document are revolving loan funds, Small Business Administration (SBA) programs, and state and federal tax credits.

Revolving Loan Funds (RLFs)

A revolving loan fund (RLF) is a source of money that is initially capitalized by contributions from governments, businesses, and nonprofits, and is loaned for various purposes to create a public good – in this case, business growth. When a borrower begins repayment of the loan, the fund is re-capitalized and the money is available to loan to other borrowers, thus revolving through the fund. Since RLFs are created in part by government funding, certain rules govern them that impose limitations or requirements on the borrower that are not typically found in normal bank loans. These typically limit how the RLF funds can be used, require the creation of jobs, and prohibit the relocation of the business. Many RLFs are intended to provide "gap financing," which will cover the difference between a project's total cost and what a bank will agree to lend to a borrower. A key concept of RLFs is that they are intended to stimulate other investment, so they require the involvement of private lenders and the borrowers themselves in the project. In this way, RLFs encourage more investment in the local economy and contribute to the dynamism of the business climate.

Small Business Administration (SBA) Loan Programs

SBA loan programs often are guaranties of loans made by private lenders. These programs are intended for small businesses, as defined by the SBA in terms of annual revenue or number of employees. By guarantying a loan to a small business, the SBA agrees to pay a certain percentage of the loan if the borrower defaults. The rationale behind most SBA loan guaranty programs is that, by providing a private lender with the guaranty that most of the loan will be repaid by the SBA, even if the borrower defaults, the risk to the private lender is greatly reduced, and the lender is much more likely to make a loan that will help a business start up or expand. While SBA loan guaranties do not necessarily have as stringent security standards as private lenders, that does not mean that risky loans are encouraged. The SBA loan guaranties require that borrowers put up whatever collateral they can, and that loans only be made to those borrowers with the most likelihood of repayment. In this manner, the money that the government risks by guarantying the loan is somewhat protected. The public money also is put to greater use than by directly loaning it. Since fewer borrowers will default than are able to repay, the same amount of money can be used to guaranty many loans than if it were directly lent to borrowers. The SBA loan guaranty programs, therefore, make public funds available to creditable borrowers who perhaps do not have any valuable assets beyond a house and the business they are trying to start or expand.

State and Federal Tax Credits

Tax credits offer businesses a reduction of what they must pay in federal or state income taxes if they take certain actions. These usually involve hiring practices or types of capital investment that the government wants to encourage. Employment-focused tax credits are often directed at hiring employees in economically depressed areas or who are members of historically disadvantaged groups. Capital-investment tax credits traditionally encourage locating businesses in economically depressed regions, and in recent years this has come to include areas that have been negatively impacted by globalization of trade. Both of these types of tax credits are aimed at providing a better employment situation for workers in areas of chronic poverty, high unemployment, and low wages. Certain other capital-investment tax credits target emerging industries that the government wants to nurture. This group includes tax credits for investments in research and development capabilities, certain technologies, and renewable fuels.

Compatibility

RLFs and SBA programs are compatible, and often work in tandem. Their collateral requirements are often identical, so the borrower's preparation and paperwork for an SBA-guaranteed bank loan often is sufficient or nearly sufficient for an RLF loan. Since RLFs and SBA loan guaranties are designed to stimulate lending, rather than create profit for investors, they are designed to take subordinate positions to the bank's (unguaranteed) portion of the loan. In these cases, the SBA guaranteed portion of the project will usually be in second position on the collateral, with the RLF coming in third position. Some RLFs are reluctant to agree to a position below second, however. The uses of funds (working capital, fixed assets, etc.) for RLF and SBA loans are often complementary: what one prohibits or discourages, the other often allows. For example, eligible uses of CDC/504 loans from the SBA are purchases of land, buildings, machinery, and equipment. Working capital is explicitly not eligible. Many RLFs, though, have rules that complicate real estate purchases with Fund money, but nevertheless encourage loans for fixed assets and working capital. The overlapping restrictions of these two programs create a compatibility, and present expanded opportunities for financing of a loan.

RLFs and state and federal tax credits also have some areas of compatibility. To encourage certain types of economic activity, state and federal governments have offered to reduced companies' tax liability if they engage in certain activities, ranging from hiring practices, to business location, to types of products and services produced. Many tax credits encourage businesses to operate in areas of high unemployment, poverty, or other indicators of economic distress. Simultaneously, several RLFs have requirements that any jobs created by the project must be offered to a certain percentage of low- or moderate-income (LMI) individuals. A geographic area that would qualify for such a poverty-remediation tax credit would also be likely to provide the RLF borrower with more than the usual opportunities to hire LMI workers. Some tax credits encourage the development of a certain type of product, such as alternative fuels. Some RLFs are also explicitly interested in the development of a certain type of industry, typically manufacturing, and grant preference to borrowers who will be creating or expanding operations in that field. A business that is planning to create or expand its biofuel operations might find opportunities where the requirements of such a tax credit and such an RLF intersect.

Inventory and Matrix

The rest of this document is divided into four sections. The first is an inventory of the various RLFs operating in the MRRPC Region. This will give basic information on each, including the purpose for each RLF, any key requirements of the Funds, and the contact for each, so that any more detailed questions can be directed to them. It is best to remember that most RLFs are designed to provide gap financing, and thus require the involvement of a private lender. When considering the use of an RLF in financing a project, borrowers are advised to speak with a private lender first, since they may be experienced with the various RLFs in their area and may be able to make the application process more efficient. The next section reviews important information about popular SBA loan programs. This includes eligible uses of the funds and the basic procedures for making use of them. Following the SBA loan section is a section providing an overview of various state and federal tax credits available to businesses. Most of these are claimed on the business's annual income tax return, though some require a special designation be granted by the government before a business can claim them. Finally, the document ends with a matrix, or fact-sheet, that attempts to gather some of the most important information about the various funding opportunities in this study into one, handy document for quick reference.

Revolving Loan Funds:

Buffalo County

Loan Purpose: to encourage business development that will result in job growth and a diverse local economy

Typical Terms:
- interest rate set by the Loan Review Committee
- Working capital loans, maximum term of 7 years
- Machinery, fixtures, equipment loans, maximum term of 10 years
- Real estate loans, maximum term of 12 years; can be amortized on 20-year basis with option to refinance after 8 years

Service Area: The area served by the RLF program shall generally be within the corporate limits of Buffalo County.

Key Limitations or Requirements:
- Loan ratio: Applicant must leverage a minimum of $1 of private funds for every $1 of loan funds requested (i.e., the Buffalo County Revolving Loan Fund can provide up to one-third of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $20,000 of program funds requested.

Funds Available: Loan amounts are subject to the availability of program funds.

Ability to Partner with other RLFs and/or SBA Programs: Buffalo County will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: The Buffalo County Fund was established from CDBG-Milk Volume Production (MVP) funds and now has enough funds to loan out. No loans have been made to date. The County is in process of forming a loan board.

Contact Information: Carl Duley, UW-Extension Agricultural Agent Buffalo County; 608-685-6251; carl.duley@buffalocounty.com

Business Capital Fund

Loan Purpose: gap financing; especially to encourage manufacturing

Typical Terms:
- low-interest (4% in 2009-2010)
- 5-year balloon loan with 20 year amortization schedule
- $100 application fee, $100 administrative fee if loan is approved, all closing costs paid by borrower

Service Area: Buffalo, Jackson, Pepin, Pierce, and Trempealeau Counties in Wisconsin

Key Limitations or Requirements:
- Loan ratio: $2 of funding from private sources for every $1 from Business Capital Fund (i.e., the Business Capital Fund can provide up to one-third of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $10,000 lent by the Business Capital Fund
- Borrower's equity: The borrower must contribute 10% of the total costs to the project

Funds Available: loans of $10,000 to $60,000 are preferred; maximum of $100,000. Loan amounts are subject to the availability of program funds.

Ability to Partner with other RLFs and/or SBA Programs: The Business Capital Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: 56 total loans; $3,321,304 loaned; $35,420,993 in private-sector funding leveraged; 462 jobs created or saved

Contact Information: Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396; bryan@mrrpc.com

Community Development Authority (CDA) of the City of Hillsboro Business Grant/Loan Fund

Loan Purpose: To encourage new business development, downtown revitalization, and economic development. Applicant must demonstrate financial need.

Typical Terms: no interest loans and grants

Service Area: Within corporate limits of Village of Hillsboro.

Key Limitations or Requirements:

- Projects will be completed within one year of grant/loan approval
- Program provides grants up to $5,000 to entrepreneurs for early-stage business startup. CDA funds may be used to grant up to 75% of total project costs, not to exceed $5,000 maximum
- Program provides no-interest loans up to $5,000 to existing commercial building owners for costs associated with maintenance and improvement

Funds Available: CDA funds may be used to loan up to 75% of total project costs, not to exceed $5,000 maximum.

Ability to Partner with other RLFs and/or SBA Programs: The Community Development Authority of the City of Hillsboro Business Grant/Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs

Contact Information: Fay Urban, CDBG Administrator City of Hillsboro; 608-489-2621

City of La Crosse Small Business Development Loan Program

Loan Purpose: To stimulate the local economy by providing low interest loans to small businesses that will result in job growth

Typical Terms: Variable interest rate on fixed-asset loans of up to 20 years

Service Area: Corporate limits of the City of La Crosse

Key Limitations or Requirements:

- Eligible Loan Recipients: must be for-profit businesses with less than 100 existing or prospective employees in the City of La Crosse
- Use of funds: Funds may only be used for purchase of real estate, rehabilitation of buildings, new construction, and/or purchase of manufacturing equipment. Land and buildings must be privately owned, taxable property, and proposed for manufacturing and/or commercial activity or mixed business/residential use (as long as residential improvements do not exceed 35% of total project costs).
- Job creation: At least one full-time job must be created or retained for every $35000 lent by the City of La Crosse Small Business Development Loan Program
- Borrower's equity: The borrower must contribute 10% of the total costs to the project

Funds Available: Maximum loan of $200,000; City of La Crosse Small Business Development Loan Program can provide up to 60% of the total project costs

Ability to Partner with other RLFs and/or SBA Programs: The City of La Crosse Small Business Development Loan Program can be part of a loan package that includes funds from other RLFs as well as SBA programs

Contact Information: Lawrence Kirch, AICP, Director of Planning, City of La Crosse; 608-789-7362; kirchl@cityoflacrosse.org

City of Mondovi Business Development Fund (MBDF)

Loan Purpose: gap financing that encourages business development that results in job growth and a diverse local economy

Typical Terms: Interest rates are 2% below the current money center prime rate as quoted in the Wall Street Journal, not less than 4%.

Service Area: City of Mondovi

Key Limitations or Requirements:
- Job creation: The project must create one job for every $5,000 lent by the Fund
- Loan ratio: $2 private financing to every $1 of MBDF financing (i.e., the MBDF can provide up to one-third of the total project costs).
- Borrower's equity: the borrower must contribute at least 10% of the total project costs

Funds Available: The maximum loan amount is $15,000. Currently, about $10,000 is available for new loans.

Ability to Partner with other RLFs and/or SBA Programs: The MBDF will partner with other RLFs and programs, and has done so in past projects.

Other Information: Four loans have been made to date, totaling $40,000. A notable success story is a $750,000 veterinary clinic built in the City's industrial park.

Contact Information: Daniel Lauersdorf, City Administrator, City of Mondovi; 715-926-3866

City of Osseo Revolving Loan Fund

Loan Purpose: gap financing for new or expanding businesses.

Typical Terms:
- interest rate 2% below prime, with balloon payment at end of 5 years
- Working capital loans, maximum term of 7 years
- Machinery, fixtures, equipment loans, maximum term of 10 years
- Real estate loans, maximum term of 12 years; can be amortized on 20-year basis with option to refinance after 8 years

Service Area: City of Osseo

Key Limitations or Requirements:
- Job creation: The project must create or retain one job for every $10,000 lent by the Fund
- Loan ratio: $1 of private financing to every $1 of loan funds (i.e., the City of Osseo Revolving Loan Fund can provide up to half of the total project costs)

Funds Available: Typical maximum of loan will not exceed $25,000. The maximum amount of any one loan shall be determined by the governing board of the revolving loan fund. Currently, $180,000 is available for lending.

Ability to Partner with other RLFs and/or SBA Programs: The Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured. The Fund is willing to take a subordinate position on a loan, but has never taken third position on a loan.

Other Information: RLF Manual was completed in May 1996. Since the inception of the fund in 1997 it has made 6 loans.

Contact Information: Blyann Johnson, City Clerk/Treasurer, City of Osseo; 715-597-2207; cityofosseo@triwest.net

City of Sparta Revolving Loan Fund

Loan Purpose: to supplement and stimulate private lending to businesses

Typical Terms:
- low-interest (4% in 2009-2010)
- 5-year balloon loan with 20 year amortization schedule

Service Area: Corporate limits of the City of Sparta, Monroe County, Wisconsin

Key Limitations or Requirements:
- Loan ratio: $2 of funding from private sources for every $1 from Business Capital Fund (i.e., the City of Sparta Revolving Loan Fund can provide up to one-third of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $8,500 lent by the Fund

Funds Available: Loan amounts are subject to the availability of program funds. The Board prefers loans that are one-quarter of the total project cost, but has the discretion to go as high as one-third.

Ability to Partner with other RLFs and/or SBA Programs: The City of Sparta Revolving Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: The Fund has made over 100 loans over the 20 year span of the program. Currently the Fund has 8 active loans totaling $809,000 that leveraged $5,992,300 in private financing and are expected to create about 75 jobs.

Contact information: Ken Witt, City Administrator, City of Sparta; 608-269-4340; cao@ci.sparta.wi.us

City of Tomah

Loan Purpose: to encourage business development that will result in job growth and a diverse local economy

Typical Terms:
- interest rate set by the Loan Review Committee
- Working capital loans, maximum term of 7 years
- Machinery, fixtures, equipment loans, maximum term of 10 years
- Real estate loans, maximum term of 12 years; can be amortized on 20-year basis with option to refinance after 8 years

Service Area: Corporate limits of the City of Tomah

Key Limitations or Requirements:
- Loan ratio: minimum of $1 of funding from private sources for every $1 from the Pepin County Revolving Loan Fund (i.e., the Pepin County Revolving Loan Fund can provide up to half of the total project costs)
- Job creation: At least one full-time job must be created for every $20,000 lent by the Fund
- Low and Moderate Income (LMI) Benefits: 51% of jobs created by the project must be made available to low- or moderate-income individuals

Funds Available: Loan amounts are subject to the availability of program funds.

Ability to Partner with other RLFs and/or SBA Programs: The City of Tomah Revolving Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: This loan fund has made 33 loans to date totaling over $1.9 million.

Contact Information: Rachel Muehlenkamp, Director, City of Tomah Department of Community Development; 608-374-7455; tomahpha@ci.tomah.wi.us

City of Viroqua Business Loan Fund

Loan Purpose: To encourage business development.

Typical Terms (tentative):
- interest rate of 4%
- term of 5 years

Service Area: City of Viroqua

Key Limitations or Requirements: Requirements for the Fund are being established. Fund should be operational by fall of 2010.

Funds Available: The minimum loan will be $1,000, and the maximum will be $50,000.

Ability to Partner with other RLFs and/or SBA Programs: The City of Viroqua Revolving Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: This fund is new, funded by a USDA grant, and has not yet made any loans.

Contact Information: Matt Giese, City Administrator ; 608-637-3251 x18; mgiese@viroqua-wisconsin.com

<u>City of Whitehall Community Development Fund</u>

Loan Purpose: To encourage business development.

Typical Terms:
- Interest: 4% below prime, but absolute minimum of 4%
- Working capital loans, maximum term of 5 years
- Machinery, fixtures, equipment loans for useful life
- Land and buildings, 10-20 years

Service Area: City of Whitehall

Key Limitations or Requirements:
- Loan ratio: $1 of funding from private sources for every $1 from the Fund (i.e., the City of Whitehall Community Development Fund can provide up to half of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $7,000 lent by the Fund
- Borrower's equity: The borrower must contribute 10% of the total costs to the project

Funds Available: Loan amounts are subject to the availability of program funds. The Fund had a little under $100,000 in May 2010.

Ability to Partner with other RLFs and/or SBA Programs: The City of Whitehall Community Development Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: 6 loans made, all successful businesses

Contact Information: Lynn Johnson, City Administrator,

<u>CMV Growth Development Fund</u>

Loan Purpose: gap financing; aid with flood recovery

Typical Terms:
- low-interest (4% in 2009-2010)
- 5-year balloon loan with 20 year amortization schedule
- $100 application fee, $100 administrative fee if loan is approved, all closing costs paid by borrower

Service Area: Crawford, Monroe, and Vernon Counties in Wisconsin

Key Limitations or Requirements:
- Loan ratio: $2 of funding from private sources for every $1 from the CMV Growth Development Fund (i.e., the CMV Growth Development Fund can provide up to one-third of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $12,000 lent by the CMV Growth Development Fund
- Borrower's equity: The borrower must contribute 10% of the total costs to the project

Funds Available: Loan amounts are subject to the availability of program funds. Loans of $7,000 to $85,000 are preferred. The maximum loan amount is $100,000.

Ability to Partner with other RLFs and/or SBA Programs: The CMV Growth Development Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: 5 total loans; $230,000 loaned; $1,210,199 in private-sector funding leveraged; 26 jobs created or saved

Contact Information: Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396; bryan@mrrpc.com

CouleeCAP Job and Business Development Program

Loan Purpose: to provide low interest loans to low income individuals

Typical Terms:
- 3% interest rate
- 5 year term

Service Area: Crawford, La Crosse, Monroe and Vernon counties

Key Limitations or Requirements:
- Case by case basis, typically no equity requirement
- 1 new job required at minimum wage and at least 32 hrs. per week
- Must be low income and receiving food stamps

Funds Available: microlending (loans between $500 - $50,000)

Ability to Partner with other RLFs and/or SBA Programs: CouleeCap can be part of a loan package that includes funds from other RLFs as well as SBA programs.

Other Information: Currently the fund has 13 active loans totaling $209,788.

Contact Information: Marilyn Huckenpoehler, Job and Business Developer; Coulee Cap, Inc., 2101 Victory Street, Suite C, La Crosse, WI 54601; T: 608-796-2926; E: Marilyn.Huckenpoehler@couleecap.org

Impact Seven – Greater Wisconsin Fund

Loan Purpose: Assist growing companies to start-up or expand in Wis. Communities.

Typical Terms: Competitive market interest rates, typically between 5% and 8%. The loan term is typically the useful life of the asset being financed.

Service Area: Wisconsin

Key Limitations or Requirements: The job creation requirement and loan ratio vary according to the amount in the pool of funds.

Funds Available: Loans can range from micro-loans up to million-dollar projects.

Ability to Partner with other RLFs and/or SBA Programs: Impact Seven will partner with other RLFs. In the current economic climate there is even need more due to large financing gaps and deals.

Other Information: Impact Seven has made 168 loans and currently has $28 million outstanding. The Greater Wisconsin Fund is a collection of 12 or 13 pools of funding., and Impact Seven receives funds from various sources, including the EDA, USDA, and the US Treasury Department. A prominent success story of the Fund is Century Foods International. This company started small in Sparta, WI, with Impact Seven's assistance. Century Foods has grown in the last two decades into the largest employer in the city.

Contact Information: Impact Seven, 147 Lake Almena Drive, Almena, WI, 54805; 715-357-3334; Web site: http://www.impactseven.org/

Jackson County Loan Fund

Loan Purpose: Encourage and promote economic development in the County to reduce unemployment and create new jobs.

Typical Terms:
- interest rate below prime
- loans range in size from $10,000 to $100,000

Service Area: Jackson County

Key Limitations or Requirements:
- Job creation: one full time job for each $20,000 of RLF funding
- Borrower's equity: The borrower must contribute 10% of the total costs to the project

Funds Available: Loan amounts are subject to the availability of program funds.

Ability to Partner with other RLFs and/or SBA Programs: The Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Contact Information: Ms. Kyle Deno, County Clerk, Jackson County; 715-284-0201; klye.deno@co.jackson.wi.us

La Crosse County Economic Development Fund

Loan Purpose: gap financing

Typical Terms:
- low-interest (5% in 2009-2010)
- 5-year balloon loan with 20-year amortization schedule
- $200 application fee, $400 administrative fee if loan is approved, all closing costs paid by borrower

Service Area: La Crosse County in Wisconsin

Key Limitations or Requirements:
- Loan ratio: $2 of funding from private sources for every $1 from the CMV Growth Development Fund (i.e., the La Crosse County Economic Development Fund can provide up to one-third of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $10,000 lent by the La Crosse County Economic Development Fund
- Borrower's equity: The borrower must contribute 10% of the total costs to the project

Funds Available: Loan amounts are subject to the availability of program funds. Loans of $10,000 to $120,000 are preferred. The maximum loan amount is $200,000.

Ability to Partner with other RLFs and/or SBA Programs: The La Crosse County Economic Development Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: The La Crosse County Economic Development Fund is composed of three funds: one funded by the County; the second funded by a grant from the US Department of Commerce – Economic Development Administration; and the third funded by a Community Development Block Grant allocation from the Wisconsin Department of Commerce. Since the inception of the three funds, 28 loans totaling $3,295,072 have been made, leveraging $19,676,223 in private funds.

Contact Information: Greg Flogstad, Director, Mississippi River Regional Planning Commission; 608-785-9396; greg@mrrpc.com

Monroe County Revolving Loan Fund

Loan Purpose: to supplement and stimulate private lending to businesses

Typical Terms:
- low-interest (4% in 2009-2010)
- 5-year balloon loan with 20-year amortization schedule

Service Area: Monroe County in Wisconsin

Key Limitations or Requirements:
- Loan ratio: $2 of funding from private sources for every $1 from Business Capital Fund (i.e., the Monroe County Revolving Loan Fund can provide up to one-third of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $8,500 lent by the Monroe County Revolving Loan Fund

Funds Available: Loan amounts are subject to the availability of program funds. The Board prefers loans that are one-quarter of the total project cost, but has the discretion to go as high as one-third.

Ability to Partner with other RLFs and/or SBA Programs: The Monroe County Revolving Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: The Monroe County Revolving Loan Fund was established in1998 with an original capitalization of $450,000. As of March 2010, this fund had made 9 loans totaling $1,059,692 that leveraged $7,539,606 in private-sector capital. A notable success was the original loan to Rockland Flooring, a company that produces laminated oak and maple flooring for dry freight vans, containers, and truck bodies, and which provides over 100 jobs in the Region.

Contact Information:
- Tina Osterberg, Accounting Director, Monroe County; 608-269-8747; mcclerk@co.monroe.wi.us
- Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396; bryan@mrrpc.com

Pepin County Revolving Loan Fund

Loan Purpose: to encourage business development that will result in job growth and a diverse local economy

Typical Terms:
- interest rate set by the Loan Review Committee
- Working capital loans, maximum term of 7 years
- Machinery, fixtures, equipment loans, maximum term of 10 years
- Real estate loans, maximum term of 12 years; can be amortized on 20-year basis with option to refinance after 8 years

Service Area: Pepin County in Wisconsin

Key Limitations or Requirements:
- Loan ratio: minimum of $1 of funding from private sources for every $1 from the Pepin County Revolving Loan Fund (i.e., the Pepin County Revolving Loan Fund can provide up to half of the total project costs)
- Job creation: At least one full-time job must be created for every $20,000 lent by the Monroe County Revolving Loan Fund
- Low and Moderate Income (LMI) Benefits: 51% of jobs created by the project must be made available to low- or moderate-income individuals

Funds Available: About $110,000 available as of May 2010. Have not made any loans to date.

Ability to Partner with other RLFs and/or SBA Programs: The Pepin County Revolving Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Contact Information: Terry J. Mesch, Development Coordinator, Pepin County Development Office; 715-672-5709; info@co.pepin.wi.us

Pierce County Small Business Revolving Loan Fund

Loan Purpose: gap financing

Typical Terms:
- 4% interest rate
- Loan terms are negotiable (usually 5, 10, or 12 years)

Service Area: Pierce County

Key Limitations or Requirements:
- Loan ratio: $1 of funding from private sources for every $1 from Business Capital Fund (i.e., the Pierce County Small Business Revolving Loan Fund can provide up to half of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $10,000 lent by the Pierce County Small Business Revolving Loan Fund

Funds Available: $250,000 maximum loan

Ability to Partner with other RLFs and/or SBA Programs: The Pierce County Small Business Revolving Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Contact Information: Bill Warner, Executive Director, Pierce County Economic Development Corporation; 715-425-3881; bill@pcedc.com

Touchstone Energy Cooperative/Dairyland Power System Economic Development Loan Program

Loan Purpose: to promote creation of jobs and beneficial electric sales.

Typical Terms:
- Interest below prime
- 10 years maximum term

Service Area: Borrowers must be member-consumers of a Touchstone Energy Cooperative, Dairyland Power System.

Key Limitations or Requirements: RLF funds generally not to exceed 50% of total project cost

Funds Available: Maximum loan amount determined by cooperative board of directors

Ability to Partner with other RLFs and/or SBA Programs: The Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Contact Information:
- Jackson Electric Cooperative; 715-284-5385
- Oakdale Electric Cooperative; 608-372-4131; info@oakdalerec.com
- Pierce-Pepin Electric Cooperative; 715-273-4355; info@piercepepin.com
- Riverland Energy Cooperative; 608-323-3381; atorud@riverlandenergy.com
- Scenic Rivers Energy Cooperative; 608-723-2121; lancaster@srec.net
- Vernon Electric Cooperative; 608-634-3121; vec@mwt.net

USDA Rural Economic Development Loan Program (Touchstone Energy Cooperative/Dairyland Power System)

Loan Purpose: to promote creation of jobs and rural economic development.

Typical Terms:
- 0% interest rate
- 10 years maximum term
- Acceptable security as determined by the cooperative's board of directors

Funds Available: Maximum loan amount determined by cooperative board of directors

Ability to Partner with other RLFs and/or SBA Programs: The Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Contact Information:
- Jackson Electric Cooperative; 715-284-5385
- Oakdale Electric Cooperative; 608-372-4131; info@oakdalerec.com
- Pierce-Pepin Electric Cooperative; 715-273-4355; info@piercepepin.com
- Riverland Energy Cooperative; 608-323-3381; atorud@riverlandenergy.com
- Scenic Rivers Energy Cooperative; 608-723-2121; lancaster@srec.net
- Vernon Electric Cooperative; 608-634-3121; vec@mwt.net

Vernon County Loan Fund

Loan Purpose: to encourage business development that will result in job growth and a diverse local economy

Typical Terms: 4% interest rate, terms between 7 to 12 years

Service Area: Vernon County in Wisconsin

Key Limitations or Requirements:
- Loan ratio: minimum of $1 of funding from private sources for every $1 from the Vernon County Loan Fund (i.e., the Vernon County Loan Fund can provide up to half of the total project costs)
- Job creation: At least one full-time job must be created for every $20,000 lent by the Fund

Funds Available: Loan amounts are subject to the availability of program funds and the discretion of the loan board and county board. Loan sizes vary, with a minimum of $5,000 and a maximum of $140,000.

Ability to Partner with other RLFs and/or SBA Programs: The Vernon County Loan Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Other Information: On average the Fund makes 2 to 4 loans a year, and has made approximately 20 loans since its inception. In 2008-2009, 30 loans of $20,000 were made for flood damage from an allotment of Economic Recovery funding which will be part of the RLF.

Contact Information: Ron Hoff, Vernon County Clerk, Vernon County Revolving Loan Committee; 608-637-5381; rhoff@vernoncounty.org

Village of Kendall

Loan Purpose: to encourage creation and retention of permanent jobs and to maintain a positive business comate which encourages retention and expansion of existing business and industry and helps attract desirable new business and industry.

Typical Terms:
- The interest rate may be fixed or graduated on a fixed schedule. In no case shall the interest rate be less than 3% or greater than prime + 2% at the time the contract is signed.
- The maximum length of a loan is 15 years.

Service Area: Village of Kendall municipal limits.

Key Limitations or Requirements:
- Loan ratio: $1 of funding from private sources for every $1 from Fund (i.e., the Fund can provide up to half of the total project costs)
- Job creation: At least one full-time job must be created or retained for every $20,000 lent by the Fund
- Borrower's equity: The borrower must contribute 10% of the total costs to the project
- Each project must benefit at least 70% low and moderate income persons.

Funds Available: Loan amounts are subject to the availability of funds. There is no set minimum or maximum loan amount.

Ability to Partner with other RLFs and/or SBA Programs: The Fund can be part of a loan package that includes funds from other RLFs as well as SBA programs. The Fund will seek to have the best collateral position possible to ensure that RLF loans are adequately secured.

Contact Information: Evelyn (Lynne) Hanson, Village Clerk/Treasurer; Village of Kendall, 219 W S Railroad, P.O. Box 216, Kendall 54638; T: 608-463-7124; E: kendallvill@centurytel.net

This Page Was Intentionally Left Blank

Small Business Administration (SBA) Programs

7(a) Loan Program

The SBA has several loan programs that can be used to guarantee small-business loans made by private-sector lenders. These SBA loan programs require a borrower to work with a private-sector lender, which then seeks to have a certain percentage of its loan guaranteed by the SBA. Before meeting with the private-sector lender, the borrower should complete a business plan (which includes project costs, the borrower's contribution, use of loan funds, type and amount of security, and how the borrower expects to make repayments of the loan). The SBA relies on the private lender for analysis of the proposed loan. This analysis should evaluate whether the loan proposal meets the requirements of the SBA loan as well as the private lender's own requirements.

The 7(a) program is by far the most common of the SBA's loan guaranty programs. For loans less than or equal to $150,000, the SBA will guarantee up to 85% of the loan. Loans can be made for higher amounts, however. The maximum loan amount is $2 million, and the SBA will guarantee up to $1.5 million ($1.75 million for projects that require working capital and fixed assets in promoting exports).

Policies:

Interest rate is negotiable, but is composed of a base rate (Wall Street journal Prime, London Interbank One Month Prime plus 3%, or SBA Peg Rate) plus a spread of 2.25% (for loans less than 7-year terms) or 2.75% (for loans with 7-year terms or longer).

Terms are based on the ability of the borrower to repay, the purpose of the loan, and the useful life of the assets financed. Maximum terms have been established: 25 years for real estate; 10 years for equipment; 7 years for working capital.

Security. The SBA prefers that every loan be secured with collateral that covers the amount loaned. The SBA will not reject a loan simply because of lack of sufficient collateral, provided that all available business and personal assets are offered by the borrower as security for the loan.

Eligibility. Borrowers must be classified as small (500 to 1500 employees in manufacturing, less than 100 employees for wholesaling, between $4.5 million and $33.5 million annual receipts for services, $7 million to $29.5 million for retailing, $7 million to $33.5 million for general construction, and $750,000 to $17.5 million for agriculture). SBA will not lend to other lenders, speculators, or businesses involved in prurient performances or gambling. 7(a) loan funds can be used to purchase equipment, machinery, inventory, fixtures, improvements, supplies, land, and buildings; for working capital; for lines of credit; and for refinancing of debt in select cases. Finally, the borrower must be a sound business that can reasonably assure repayment of the loan.

Procedures:

Prospective borrowers should submit an application to a private lender for initial review. The lender then evaluates the application and decides whether to make the loan themselves or to seek a guaranty from the SBA. Should the lender seek an SBA guaranty, the prospective borrower and the lender will need to fill out some forms for the SBA to check eligibility and credit worthiness. The SBA will approve or reject the loan guaranty based on this information. If the SBA guarantees the loan, it means that the government will repay the lender if the borrower fails to repay the loan.

Popularity of use in the region: The 7(a) program is the SBA's primary business loan program, and is the most-used non-disaster financial assistance program. It accounts for over half the SBA loan activity in the Region between October 2000 and May 2010, when $121 million was lent to small businesses through the program. It is a good complement to revolving loan fund projects, since the security required is similar for both, and the money from each source can be used for some purposes that the other cannot.

The SBA's 7(a) Program has several special purpose loans tailored for specific business needs.

Community Adjustment and Investment Program (CAIP)

Policies: The purpose is to aid US companies in areas that have been hurt by the North American Free Trade Agreement (NAFTA). These loans are used to make fee payments on 7(a) and CDC/504 loans.

Procedures: Eligible businesses must reside in a geographic area determined to be negatively impacted by NAFTA. This determination is based on job losses and unemployment rate in that geographic area. Borrowers must create one job for every $70,000 guaranteed by the 7(a) program, and one job for every $65,000 guaranteed by a CDC/504 loan.

As of February 1, 2010, no counties in Wisconsin were eligible for the CAIP program.

CAPLines

Policies: Offers borrowers seasonal, contract, builders, standard-asset-based, or small-asset-based lines of credit.

Procedures: As with the 7(a) program as a whole, the maximum loan amount is $2 million (except for small-asset-based line of credit, which has a maximum of $200,000), and the SBA will guarantee up to 85% of loans $1.5 million or less, and 75% of loans higher than $1.5 million.

Employee Trusts

Policies: used to assist employee stock ownership plans. The small business borrower must put up collateral for the loan, and then borrows from the employee trust.

Procedures: As with the 7(a) program as a whole, the maximum loan amount is $2 million (except for small-asset-based line of credit, which has a maximum of

$200,000), and the SBA will guarantee up to 85% of loans $1.5 million or less, and 75% of loans higher than $1.5 million.

Pollution Control

Policies: loans that provide eligible small businesses with funding for planning, design, or installation of a pollution-control facility. Pollution-control facilities, including recycling facilities, are those that prevent, reduce, abate, or control pollution. Unlike other 7(a) loans, the use of funds for this special purpose loan must be used only for fixed assets.

Procedures: As with the 7(a) program as a whole, the maximum loan amount is $2 million (except for small-asset-based line of credit, which has a maximum of $200,000), and the SBA will guarantee up to 85% of loans $1.5 million or less, and 75% of loans higher than $1.5 million.

America's Recovery Capital (ARC) Loans

Policies: Authorized by the American Recovery and Reinvestment Act (ARRA, a.k.a. "The Stimulus"). ARC loans are intended to be used for paying principal and interest on existing debt. The intended borrowers are existing businesses that have a track record of viability, but which are currently facing immediate financial hardship. ARC loans are interest-free to the borrower, and are 100% guaranteed by the SBA to the lender. Maximum loan is $35,000. ARC loan funds are not eligible for making repayments of other SBA guaranteed loans, except those made after February 17, 2009. ARC loans are available until funding is exhausted or until September 30, 2010, whichever comes first.

Procedures: Lenders evaluate the viability and immediate financial hardship of a business (considering declining sales; difficulties accessing credit, making payroll, or making loan repayments). Private-sector lenders make the loans to the borrower, and the SBA pays the interest (prime + 2%). Funds are disbursed over six months, repayments of principal are deferred until 12 months after the final disbursement, and repayments can be scheduled for up to five years.

Popularity of use in the region: Wisconsin and Minnesota are the top users of this program. Because the program was only recently created by ARRA, ARC loans account for less than 1% of the total SBA loan activity in the Region between October 2000 and May 2010. During that period, about $2 million was lent to small businesses through the ARC program. Since RLFs and other SBA loans often preclude the use of their funds for refinancing existing debt, this loan program could be useful for businesses having trouble meeting is debt payments and expenses for core business operations.

Certified Development Company (CDC) Program – also known as the 504 Program

Policies: This loan program is focused on providing long-term, fixed-rate subordinate mortgages to businesses that plan to expand and create jobs. Most for-profit small businesses (net worth below $8.5 million, net profit after taxes below $3 million) are eligible, including retail, service, wholesale, and manufacturing. Businesses that are ineligible include other lenders, speculators, or businesses involved in prurient performances or gambling. Maximum loans are as follows: $1.5 million for businesses that create a certain number of jobs or improve the local economy; $2 million for businesses that further certain public policy goals, such as veterans' benefits; $4 million for manufacturers (including recent additions for energy-conservation and renewable fuel projects). Eligible uses of the loan are purchases of land, buildings, machinery, and equipment (working capital is not eligible). Most borrowers must contribute 10% of the total project cost. Start-ups and businesses that are less than 2-years-old must contribute an additional 5%. Borrowers must also contribute an additional 5% of the project costs if the primary security is a single-purpose building.

Procedures: Certified Development Companies (CDCs) make the loans, working with private lenders. The private lender contributes 50% of the project costs without an SBA guaranty, and is in the first security position on the project assets. The CDC then contributes up to 40% of the project costs with complete guaranty from the SBA, and is in second security position on the projects assets. The remainder of the project costs is provided by the borrower.

Popularity of use in the region: The second-most popular non-disaster SBA financial assistance program in the Region. It accounts for 30% of the SBA loan activity in the Region between October 2000 and May 2010, when almost $66 million was lent to small businesses through the program. It is often used in conjunction with revolving loan fund projects; since RLFs usually permit funds to be used for working capital in addition to fixed assets, they are a good complement to CDC/504 loans.

Disaster Recovery

Policies: only SBA program open to applicants that are not small businesses, though government and agricultural entities are ineligible. Physical Disaster Loans are SBA's primary aid program for rebuilding damages to private property that are not covered by insurance. Economic Injury Disaster Loans (EIDL) make working capital available to small businesses, small agricultural co-operatives, and nonprofits after a disaster, until normal business conditions return. A special type of EIDL is the Military Reservist Economic Injury loan, which is available for businesses to cover losses associated with one of their essential employees being called to active duty as a military reservist.

Procedures: Physical Disaster Loans allow homeowners, renters, nonprofits, and businesses of any size can apply for funds to replaced damaged equipment and assets. The maximum amount for renters is $40,000, $200,000 for homeowners, and $2 million for nonprofits and businesses. The maximum amount for EIDLs, alone or in combination with a Physical Disaster Loan, is $2 million. These loans are intended to help borrowers who have limited access to credit elsewhere, and interest rates and loan terms will vary based on borrowers' access to other sources of funding and ability to repay the disaster recovery SBA loan. If the applicant has no access to other credit, the interest rate will not be higher than 4%, and not higher than 8% for applicants who can access credit elsewhere. The maximum term for any loan is 30 years. Any insurance payments an applicant received will be deducted from the amount for which the applicant is eligible to apply in a Disaster Recovery loan application. Repayment of the loan is usually scheduled to being five months after the loan is made. The application generally calls for an itemized list of damaged property, a copy of federal income tax information (further specified by the particular application), a brief history of the business, and personal and business financial statements. Applicants in a special flood hazard area, or who are legally required to, must carry flood insurance to be eligible for a Disaster Recovery Loan.

Popularity of use in the region: The disaster recovery program is the SBA's largest direct loan program.

Microloan Program

Policies: small loans (between $500 and $35,000; average $13,000), short terms (maximum is 6 years), interest rates generally between 8% and 13%; made to small businesses and nonprofit child-care centers. Fund can be used for working capital or fixed assets, but cannot be used to repay existing debt. Collateral is usually business assets and borrower's personal guaranty.

Procedures: SBA makes the loan to a nonprofit community-based organization, which in turn lends the money to a business or nonprofit child-care center. This lender is required to provide technical assistance and business training to borrowers, and borrowers may be required to make use of these services before a loan application will be accepted.

Small Business Investment Company (SBIC) Program

Policies: Alternative to bank lending, intended to provide gap financing. Distinct from other programs in that it creates the possibility of investment in a small business, rather than simply making a loan.

Procedures: SBICs are privately owned investment funds that are licensed by the SBA to receive SBA-guaranteed funds, which they then loan out to or invest in small businesses.

Popularity of use in the region: from October 2008 to September 2009, 14 loans for a total of $24,436,293 were made by SBICs in Wisconsin.

This Page Was Intentionally Left Blank

Tax Credits

Biodiesel Fuels Tax Credit

Purpose: to encourage the domestic production of fuel from a renewable source, in this case vegetable oils and animal fats.

Policies: A tax credit of $1 per gallon of biodiesel produced is applied to the producer's income tax, reducing the company's tax liability.

Procedures: the credit is claimed on the annual federal income tax return

The credit was allowed to expire at the end of 2009, but was reinstated for the 2010 tax year. Continuation of the tax credit will require an Act of Congress.

Empowerment Zone and Renewal Communities Tax Credit

Purpose: To encourage businesses to open, expand, and to hire local residents.

Policies: The incentives include employment credits, a 0% tax on capital gains, increased tax deductions on equipment, accelerated real property depreciation, and other incentives. The employment credit, which provides tax benefits to businesses that employ residents from the designated areas, is the most widely used of these tax credits. It allows business owners to deduct 20% of the wages paid to a qualified zone employee. A qualified zone employee is one who lives within an empowerment zone or renewal community (as determined by the US Department of Housing and Urban Development) and who performs work for the business in that empowerment zone or renewal community.

Procedures: the credit is claimed on the annual federal income tax return

There are no Empowerment Zones or Renewal Communities in the Region

HUBZone Empowerment Contracting Program

Purpose: to give preference in government procurement to small businesses that have a location in and hire workers in Historically Underutilized Business Zones (HUBZones).

Policies: To be eligible for the HUBZone program, a business must meet SBA's definitions of a small business, have a principle office (not necessarily a headquarters) within a HUBZone (as determined by the SBA), be under American ownership, and hire at least 35% of its workers from the HUBZone.

Procedures: businesses wishing to achieve HUBZone designation make an application to the SBA.

Increasing Research Activities Tax Credit

Purpose: This tax credit reduces the tax liability for businesses that conduct inquiries into new technologies.

Policies: To qualify for this tax credit, the research must be done in support of the development of new products or services, and must result in increased technical knowledge.

Procedures: the credit is claimed on the annual federal income tax return

New Markets Tax Credit (NMTC)

Purpose: to promote economic development by encouraging investment in businesses in low-income areas

Policies: investments must be made in Community Development Entities (CDEs), which in turn invest the money in low-income areas. The investor gets a 39% tax credit, claimed over seven years (5% for the first three years, and 6% for the remaining four years). Only after the seven-year period is up can the investors realize a return on their investment. Investment funds must be used in low-income communities, which means, generally, that borrowers must be substantially located (at least 40% of its property) and perform a substantial amount (at least 40%) of its services in a census tract with a 20% poverty rate or a median income that is 80% or lower of the statewide median.

Procedures: Investors do not make investments directly with businesses, but with a recognized CDE. The investment comes in the form of the purchase of stock in a CDE. To receive investments under this program, an organization must be recognized as a CDE by the Community Development Financial Institutions Fund within the US Treasury Department. CDEs must be corporations or partnerships in the United States that have, as their main purpose, the making of investments to promote economic development in low-income communities. CDEs must also have residents from low-income communities serving on their governing board or an advisory board. CDEs must be for-profit entities, but nonprofits can set up for-profit subsidiaries that can qualify as CDEs. Funds used through the NMTC program cannot be used for projects that receive other tax credits, so compartmentalizing of funding sources and uses is extremely important.

Non-Conventional Source Fuel

Purpose: to provide an incentive for production and sale of coke and coke gas that is not produced from petroleum-based materials. The credit cannot be claimed if the facility used to produce the coke or coke gas also was used to produce any other fuel for which the producer received a separate tax credit.

Policies: A credit is applied to an energy producer's tax liability that reduces the amount of income tax that is owed. For each barrel-of-oil equivalent of coke or coke gas that is not produced from petroleum-based products, a tax credit is applied that is the product of $3 multiplied by an inflation adjustment factor.

Procedures: the credit is claimed on the annual federal income tax return

Renewable Electricity Production Tax Credit

Purpose: to encourage investment in research and development of renewable energy sources and technology that will reduce pollution, nurture an emerging economic sector, and create new jobs

Policies: Based on the number of kilowatt-hours generated through renewable means (such as solar, wind, or biomass), the tax credit reduces the amount of income tax liability for privately owned, tax-liable energy producers who contribute energy to the electrical grid.

Procedures: the tax credit is claimed on the annual federal income tax return

Wisconsin Economic Development Tax Credit

Purpose: to encourage businesses to expand in or relocate to Wisconsin by offering a reduction on their state income tax liability. The Economic Development Tax Credit replaces five former Wisconsin tax credit programs: the Airport Development Zone, Agricultural Development Zone, Community Development Zone, Enterprise Development Zone and Technology Zone programs.

Policies:

- Job Creation – Tax credits can be earned through the creation of new, full-time positions that pay at least $10.88 per hour. Businesses must create the jobs within three years and maintain them for at least two additional years. Tax credits will be released on an annual basis, in direct proportion to the number of jobs created.
- Capital investment – Tax credits may be earned through capital investment for property and equipment. Expenditures for working capital, employment costs, moving costs, intellectual property and unrelated fees and permits are not eligible. Tax credits will be released on an annual basis, as eligible expenditures take place. Businesses whose primary activity includes such things as retail, commercial development, recreation, entertainment or direct health care are not eligible to earn tax credits through capital investment.
- Employee Training – Tax credits may be earned through many types of training provided to existing and new employees in full-time positions. Training must be related to a specific project. Eligible training costs include trainee wages, trainer costs and trainer materials. Tax credits will be released on an annual basis, as eligible training costs are incurred.
- Corporate Headquarters – Tax credits may be earned by businesses locating global, national divisional or regional headquarters operations to Wisconsin or by businesses whose existing Wisconsin headquarters are at risk of leaving the state. Credits will be allocated on a per-job basis.

Procedures: Application for consideration is made to the Wisconsin Department of Commerce (DOC). In determining the allocation of tax credits, the DOC will consider the following:

1. Whether the project will serve a public purpose;
2. Whether the project might not occur without the allocation of tax credits;
3. The extent to which the project will be financed with funds not provided by the State of Wisconsin;
4. Whether the project will displace workers in Wisconsin;
5. The extent to which the project will retain or increase employment in Wisconsin;
6. The extent to which the project will contribute to the economic growth of Wisconsin and to the well-being of Wisconsin residents;
7. Whether the project will be located in an economically distressed area;
8. Whether the project will be located in a rural area;
9. The extent to which the project will increase the geographic diversity of available tax benefits throughout Wisconsin;
10. The financial soundness of the business;
11. The ability of the business to utilize Wisconsin income tax credits; and
12. Any previous financial assistance that the business received from the Wisconsin Department of Commerce.

Wisconsin Manufacturing Investment Tax Credit

Purpose: This was a tax credit instituted to replace the manufacturer's sales tax credit, which was eliminated for tax years beginning after December 31, 2005. Some taxpayers with unused manufacturer's sales tax credit carryforwards were eligible for the Manufacturing Investment Credit, which is available for taxable years beginning on or after January 1, 2008.

Policies: If a taxpayer has $25,000 or less in unused manufacturer's sales tax credit, the unused credit may be claimed, but for each of the first two taxable years beginning after December 31, 2005, it is limited to 50 percent of its amount as of the beginning of the first such taxable year. If the credit cannot be used during this period, it may be carried forward for the remainder of its 20-year carryforward period until used.

Procedures: The Wisconsin Department of Commerce certifies companies eligible for the Manufacturing Investment Credit. The general criteria for eligibility are:

- The business has retained 100% of full-time jobs that it employed in Wisconsin from December 23, 2003, through either December 31, 2006, or December 31, 2007; or
- The business's average annual investment in Wisconsin from January 1, 2003, through either December 31, 2006, or December 31, 2007, is equal to no less than 2 percent of the total book value of the business's depreciable assets in facilities that are based in Wisconsin; or
- The business's average annual investment in Wisconsin from January 1, 2003, through either December 31, 2006, or December 31, 2007, is no less than $5,000,000.

The application deadline was September 30, 2008.

Wisconsin Qualified New Business Venture Tax Credit Program

Purpose: To encourage investment in companies that develop innovative technology by offering tax credits to investors.

Policies: To be designated as a Qualified New Business Venture, a company must show potential for increasing the number of jobs and/or the amount of capital investment in Wisconsin. The company must be engaged in manufacturing, processing or assembly, or research and development. Investors can claim tax credits of up to 25% of their investments.

Procedures: The Wisconsin Department of Commerce will certify New Business Ventures annually, based on verification information submitted by applicants.

Work Opportunity Tax Credit (incorporates the previous Welfare-to-Work Tax Credit)

Purpose: to encourage private-sector corporations to hire individuals from groups that have historically faced barriers to employment, and to encourage these individuals to move from dependency on government aid to self-sufficiency through work.

Policies: The tax credit applies to businesses that hire individuals from one of 12 targeted groups, including long-term recipients of Temporary Assistance for Needy Families (TANF, or “welfare”), certain disabled or unemployed veterans, ex-felons, certain recipients of Supplemental Nutrition Assistance Program (SNAP, or “food stamps”), and certain residents of empowerment zones, renewal communities, or rural renewal communities. Most target groups qualify the employer for a tax credit of 25% of the wages of employees hired for between 120 and 400 hours, and 40% of those hired for 400 hours or more.

Procedures: The employer must receive certification from the state workforce agency that the employee is a member of one of the targeted groups. The credit is claimed on the annual federal income tax return

Revolving Loan Funds in the Mississippi River Region

The following revolving loan fund summary was compiled by Mississippi River Regional Planning Commission to assist businesses in obtaining financing. Most loan funds are participatory requiring private financing and job creation. Some of the regional funds may also be used in combination with local revolving loan funds.

Name of Fund, Source, and page number for comparison	Interest	Typical Terms*	Loan Ratio**	Job Creation Ratio†	Minimum Borrower Contribution	Other Requirements and Information††	Contact Information
BUFFALO COUNTY							
BUFFALO COUNTY REVOLVING LOAN FUND, State–HUD CDBG program, p. 4	varies	WC = 7 yr E = 10 yr RE = 12 yr	1:1	1:$20,000		Service Area: Buffalo County LMI: 51%	Carl Duley, UW-Extension Agricultural Agent Buffalo County; 608-685-6251; carl.duley@buffalocounty.com
CITY OF MONDOVI REVOLVING LOAN FUND, Local Sources, p. 8	Prime, minus 2% , but not less than 4%	varies	2:1	1:$5,000		Service Area: City of Mondovi Maximum loan: $15,000 LMI: 51%	Daniel Lauersdorf, City Administrator, City of Mondovi; 715-926-3866
Jackson County							
JACKSON COUNTY LOAN FUND, State HUD- CDBG program, p. 17	Below prime	varies		1:$20,000	10%	Service Area: Jackson County LMI: 51%	Ms. Kyle Deno, County Clerk, Jackson County; 715-284-0201; klye.deno@co.jackson.wi.us
La Crosse County							
CITY OF LA CROSSE SMALL BUSINESS DEVELOPMENT LOAN PROGRAM, HUD-CDBG Entitlement City Program, p. 7	varies	FA = 20 yr		1:$35,000;	10%	Service Area: City of La Crosse, Business Size: < 100 employees; Fund Uses: real estate, rehab, construction, or mfg. equipment	Lawrence Kirch, AICP, Director of Planning, City of La Crosse; 608-789-7362; kirchl@cityoflacrosse.org
LACROSSE COUNTY ECONOMIC DEVELOPMENT FUND; U.S. DOC-EDA, State HUD- CDBG program and County, p. 18	Varies	5 yr balloon	Varies	1:$15,000	10%	Service Area: La Crosse County LMI: 51%	Greg Flogstad, AICP, Director, Mississippi River Regional Planning Commission; 608-785-9396; greg@mrrpc.com
Monroe County							
CITY OF SPARTA REVOLVING LOAN FUND, State-HUD CDBG program , p. 10	varies	5 yr balloon	2:1	1:$8,500		Service Area: City of Sparta LMI: 51%	Ken Witt, City Administrator, City of Sparta; 608-269-4340; cao@ci.sparta.wi.us
CITY OF TOMAH REVOLVING LOAN FUND, State HUD- CDBG program, p. 11	varies	WC = 7 yr E = 10 yr RE = 12 yr	1:1	1:$20,000		Service Area: City of Tomah LMI: 51%	Rachel Muehlenkamp, Director, City of Tomah Department of Community Development; 608-374-7455; tomahpha@ci.tomah.wi.us
MONROE COUNTY REVOLVING LOAN FUND, State HUD- CDB program, p. 19	Varies (4% in 2009-2010)	5 yr balloon	2:1	1:$8,500		Service Area: Monroe County LMI: 51%	Tina Osterberg, Accounting Director, Monroe County; 608-269-8747; mcclerk@co.monroe.wi.us Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396; bryan@mrrpc.com
VILLAGE OF KENDALL REVOLVING LOAN FUND, State HUD-CDBG program, p. 25	3% to prime plus 2%	15 yr max.	1:1	1:$20,000	10%	Service Area: Village of Kendall LMI: 70%	Evelyn Hanson, Village Clerk/Treasurer; 608-463-7124; kendallvill@centurytel.net
Pepin County							
PEPIN COUNTY REVOLVING LOAN FUND, State HUD-CDBG program, p. 20	varies	WC = 7 yr E = 10 yr RE = 12 yr	1:1	1:$20,000		Service Area: Pepin County LMI: 51%	Terry J. Mesch, Development Coordinator, Pepin County Development Office; 715-672-5709; info@co.pepin.wi.us
Pierce County							
PIERCE COUNTY SMALL BUSINESS REVOLVING LOAN FUND, State HUD-CDBG program, p. 21	4%	varies	1:1	1:$25,000		Service Area: Pierce County LMI: 51%	Bill Warner, Executive Director, Pierce County Economic Development Corporation; 715-425-3881; bill@pcedc.com
Trempealeau County							
CITY OF OSSEO REVOLVING LOAN FUND, State, CDBG program, p. 9	Prime, minus 2%	WC = 7 yr E = 10 yr RE = 12 yr	1:1	1:$10,000		Service Area: City of Osseo LMI: 51%	Bryann Johnson, City Clerk/Treasurer, City of Osseo; 715-597-2207; cityofosseo@triwest.net
CITY OF WHITEHALL COMMUNITY DEVELOPMENT FUND, Urban Development Action Grant, p. 13	Prime minus 4%, absolute min. 4%	WC = 5 yr E = useful life RE = 10-20 yr	1:1	1:$7,000	10%	Service Area: City of Whitehall	Lynn Johnson, City Administrator, City of Whitehall, 715-538-4353

Name of Fund, Source, and page number for comparison	Interest	Typical Terms*	Loan Ratio**	Job Creation Ratio†	Minimum Borrower Contribution	Other Requirements and Information††	Contact Information
Vernon County							
CITY OF VIROQUA BUSINESS LOAN FUND, USDA – RDA, p. 12	4% (tentative)	5 yr (tentative)				Service Area: City of Viroqua Program is scheduled to start in fall 2010	Matt Giese, City Administrator ; 608-637-3251 x18; mgiese@viroqua-wisconsin.com
CITY OF HILLSBORO COMMUNITY DEVELOPMENT AUTHORITY BUSINESS GRANT/LOAN PROGRAM, State HUD-CDBG program, p. 6	none	varies				Service Area: Village of Hillsboro $5,000 maximum LMI: 51%	Fay Urban, CDBG Administrator City of Hillsboro; 608-489-2621
VERNON COUNTY LOAN FUND, State HUD-CDBG program, p. 24	4%	WC = 7 yr E = 10 yr RE = 12 yr	1:1	1:$20,000		Service Area: Vernon County LMI: 51%	Ron Hoff, Vernon County Clerk, Vernon County Revolving Loan Committee; 608-637-5381; rhoff@vernoncounty.org
Regional Revolving Loan Funds							
BUSINESS CAPITAL FUND, U.S. DOC-EDA, 16 banks, 10 utilities, and 25 local governments, p. 5	varies	5 yr	2:1	1: $10,000	10%	Service Area: Buffalo, Jackson, Pepin, Pierce, and Trempealeau Counties	Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396; bryan@mrrpc.com
CMV GROWTH DEVELOPMENT FUND, U.S. DOC- EDA and Local Governments, p. 14	varies	5 yr	2:1	1: $12,000	10%	Service Area: Crawford, Monroe and Vernon Counties	Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396; bryan@mrrpc.com
COULEE CAP JOB AND BUSINESS DEVELOPMENT PROGRAM, Catholic Campaign for Human Development, p. 15	3%	5 yr		I new job required at minimum wage and 32 hour work week.		Service Area: Crawford, La Crosse, Monroe, and Vernon Counties Must be low income and receive food stamps to qualify	Marilyn Huckenpoehler, Job and business Developer; coulee cap , Inc., 608.796.2926 Marilyn.Huckenpoehler@couleecap.org
TOUCHSTONE ENERGY COOPERATIVE / DAIRYLAND POWER COOPERATIVE SYSTEM - ECONOMIC DEVELOPMENT LOAN PROGRAM, cooperative funds, Dairyland Power funds, and USDA, p. 22	below prime	10 yr	1:1			Emph. on job creation and electricity sales. Borrowers must be member-consumer of the Co-op. Generally, loan is not to exceed half the total project costs.	Jackson Electric Cooperative; 715-284-5385 Oakdale Electric Cooperative; 608-372-4131; info@oakdalerec.com Pierce-Pepin Electric Cooperative; 715-273-4355; info@piercepepin.com Riverland Energy Cooperative; 608-323-3381; atorud@riverlandenergy. com Scenic Rivers Energy Cooperative; 608-723-2121; lancaster@srec.net Vernon Electric Cooperative; 608-634-3121; vec@mwt.net
USDA RURAL ECONOMIC DEVELOPMENT LOAN PROGRAM - TOUCHSTONE ENERGY COOPERATIVE / DAIRYLAND POWER SYSTEM, cooperative funds, Dairyland Power funds, and USDA, p. 23	0%	10 yr				Emph. on job creation, , business incubators, medical and educational facilities, infrastructure and other economic development in rural areas.	Jackson Electric Cooperative; 715-284-5385 Oakdale Electric Cooperative; 608-372-4131; info@oakdalerec.com Pierce-Pepin Electric Cooperative; 715-273-4355; info@piercepepin.com Riverland Energy Cooperative; 608-323-3381; atorud@riverlandenergy. com Scenic Rivers Energy Cooperative; 608-723-2121; lancaster@srec.net Vernon Electric Cooperative; 608-634-3121; vec@mwt.net
IMPACT SEVEN –GREATER WISCONSIN FUND, EDA, USDA, US Treasury, p. 16	5-8%	Useful life		Varies from 1:$25,000 to 1:$50,000		Statewide. CDC lead lender on SBA loans, and will not subordinate security position. Will fund up to 80% of project costs.	Impact Seven; 715-357-3334; impactseven.org

Notes:
* WC = loan max. for Working Capital; E = loan max. for Equipment; RE = loan max. for Real Estate; FA = loan max. for Fixed Assets
** Loan ratio is the amount of private funding required for a certain amount of RLF funding. For example, a loan ratio of 2:1 means that $2 must come from private sources (bank, borrower's equity, etc.) for every $1 loaned by the RLF.
† Job creation ratio is the number of full-time equivalents that must be created or retained by a project for a certain amount of RLF funding. For example, a job creation ratio of 1:$10,000 means that one full-time equivalent must be created or retained by the project for every $10,000 borrowed from the RLF.
†† LMI refers to the percentage of jobs created by the project that must be made available to low- and moderate-income individuals.

The above information was compiled from phone interviews, web sites, brochures and loan applications from the respective funds in April and May 2010. Businesses are encouraged to contact the specific fund they are interested in to verify the special terms and conditions that apply to that fund. Information provided in this summary may be subject to error, omission and change.

For questions or further information on this summary of loan funds please contact: Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission, 1707 Main Street, Suite 435, La Crosse WI 54601; 608.785.9396, bryan@mrrpc.com

Small Business Administration (SBA) Programs

The following SBA program summary was compiled by Mississippi River Regional Planning Commission to assist businesses in obtaining financing. The SBA provides several loan guarantee programs, which protect private-sector lenders, as well as some direct loans to borrowers.

SBA Program and page number for comparison	Type of Assistance	Eligibility	Eligible Uses	Other Requirements and Information
7(a), p. 26	Loan guaranty: 85% of loans up to $150,000; maximum amount of $2 million with guaranty on $1.5 million ($1.75 million for loans promoting exports)	Borrowers must be small, sound, able to repay, and not certain ineligible categories (other lenders, speculators, or businesses involved in prurient performances or gambling)	Expansion, renovation, new construction; purchase equipment, machinery, inventory, fixtures, improvements, supplies, land, and buildings; working capital; lines of credit; refinancing of debt in select cases.	Special Purpose Loans under 7(a): CAIP – to help businesses affected by global trade make fee payments on SBA loans CAPLines – seasonal lines of credit Employee Trusts – employee stock ownership plans Pollution Control – planning, designing, or installing pollution control facility
America's Recovery Capital (ARC), p. 29	Interest-free loans to help make payments on existing debt (SBA pays interest to lender for ARC loan)	Borrowers must be viable, with a history of making payments, but are experiencing immediate financial hardships	Repayment of existing debt.	Not eligible for making repayments of other SBA guaranteed loans, except those made after February 17, 2009. Available until funding is exhausted or until September 30, 2010, whichever comes first.
CDC/504, p. 30	Loan guaranty of up to 40% of a total project. Maximum loans are as follows: $1.5 million for businesses that create a certain number of jobs or improve the local economy; $2 million for businesses that further certain public policy goals, such as veterans' benefits; $4 million for manufacturers.	Borrowers must be small, sound, able to repay, and not certain ineligible categories (other lenders, speculators, or businesses involved in prurient performances or gambling)	Eligible uses of the loan are purchases of land, buildings, machinery, and equipment (working capital is not eligible).	Most borrowers must contribute 10% of the total project cost. Start-ups and businesses that are less than 2-years-old must contribute an additional 5%. Borrowers must also contribute an additional 5% of the project costs if the primary security is a single-purpose building.
Disaster Recovery, p. 31	Direct loans to nonprofits and businesses (max. $2 million), homeowners (max. $200,000), and renters (max. $40,000) to cover disaster-related costs not covered by insurance.	Non-governmental, non-agricultural businesses and nonprofits; homeowners; renters	Rebuilding and replacing private property damaged in a disaster	If the applicant has no access to other credit, the interest rate will not be higher than 4%, and not higher than 8% for applicants who can access credit elsewhere. The maximum term for any loan is 30 years.
Microloans, p. 32	SBA loan to nonprofit community-based organization, called an intermediary, which in turn lends the money to a business or nonprofit child-care center	Borrowers must be small, sound, able to repay, and not certain ineligible categories (other lenders, speculators, or businesses involved in prurient performances or gambling); nonprofit child-care centers are eligible	working capital or fixed assets, but cannot be used to repay existing debt	Intermediary is required to provide technical assistance and business training to borrowers, and borrowers may be required to make use of these services before a loan application will be accepted.
Small Business Investment Company (SBIC), p. 32	Investment made with SBA-guaranteed funds in a company. Alternative to bank lending. Intended to provide gap financing.	SBICs determine what businesses they will invest in	SBICs determine what uses they will invest in	SBICs are privately owned investment funds that invest in a business, rather than make a loan to a borrower.

State and Federal Tax Credits

The following tax credit summary was compiled by Mississippi River Regional Planning Commission to assist businesses in obtaining financing. Most tax credits are designed to encourage certain business actions, such as investing in certain technologies or hiring certain employees. Many tax credits are claimed on a business's annual income tax return, but some require special designation from a governmental unit.

Tax Credit and page number for comparison	Purpose	Policies	Procedures
Biodiesel Fuels, p. 33	to encourage the domestic production of fuel from a renewable source	Tax credit of $1 per gallon of biodiesel produced is applied to the producer's income tax, reducing the company's tax liability	the credit is claimed on the annual federal income tax return
Empowerment Zone and Renewal Communities, p. 32	To encourage businesses to open, expand, and to hire local residents	The employment credit, which provides tax benefits to businesses that employ residents from designated areas, is the most widely used of these tax credits. It allows business owners to deduct 20% of the wages paid to a qualified zone employee. A qualified zone employee is one who lives within an empowerment zone or renewal community (as determined by the US Department of Housing and Urban Development) and who performs work for the business in that empowerment zone or renewal community. Other credits include a 0% tax on capital gains, increased tax deductions on equipment, accelerated real property depreciation, and other incentives.	the credit is claimed on the annual federal income tax return
HUBZone Empowerment Contracting Program, p. 32	to give preference in government procurement to small businesses that have a location in and hire workers in Historically Underutilized Business Zones (HUBZones).	To be eligible for the HUBZone program, a business must meet SBA's definitions of a small business, have a principle office (not necessarily a headquarters) within a HUBZone (as determined by the SBA), be under American ownership, and hire at least 35% of its workers from the HUBZone.	businesses wishing to achieve HUBZone designation make an application to the SBA.
Increasing Research Activities, p. 34	To encourage inquiries into new technologies.	To qualify for this tax credit, the research must be done in support of the development of new products or services, and must result in increased technical knowledge.	the credit is claimed on the annual federal income tax return
New Markets Tax Credit (NMTC), p. 34	to promote economic development by encouraging investment in businesses in low-income areas	investments must be made in Community Development Entities (CDEs), which in turn invest the money in low-income areas. The investor gets a 39% tax credit, claimed over seven years (5% for the first three years, and 6% for the remaining four years). Only after the seven-year period is up can the investors realize a return on their investment. Investment funds must be used in low-income communities, which means, generally, that borrowers must be substantially located (at least 40% of its property) and perform a substantial amount (at least 40%) of its services in a census tract with a 20% poverty rate or a median income that is 80% or lower of the statewide median.	Investors do not make investments directly with businesses, but with a recognized CDE. The investment comes in the form of the purchase of stock in a CDE. To receive investments under this program, an organization must be recognized as a CDE by the Community Development Financial Institutions Fund within the US Treasury Department. Funds used through the NMTC program cannot be used for projects that receive other tax credits, so compartmentalizing of funding sources and uses is extremely important.
Non-Conventional Source Fuel, p. 35	to provide an incentive for production and sale of coke and coke gas that is not produced from petroleum-based materials.	A credit is applied to an energy producer's tax liability that reduces the amount of income tax that is owed. For each barrel-of-oil equivalent of coke or coke gas that is not produced from petroleum-based products, a tax credit is applied that is the product of $3 multiplied by an inflation adjustment factor	the credit is claimed on the annual federal income tax return
Renewable Electricity Production, p. 35	to encourage investment in research and development of renewable energy sources and technology that will reduce pollution, nurture an emerging economic sector, and create new jobs	Based on the number of kilowatt-hours generated through renewable means (such as solar, wind, or biomass), the tax credit reduces the amount of income tax liability for privately owned, tax-liable energy producers who contribute energy to the electrical grid.	the credit is claimed on the annual federal income tax return
Wisconsin Economic Development, p. 36	to encourage businesses to expand in or relocate to Wisconsin by offering a reduction on their state income tax liability	Tax credits can be earned through the creation of new, full-time positions, capital investment, employee training, or location of headquarters in Wisconsin.	Application for consideration is made to the Wisconsin Department of Commerce
Wisconsin Manufacturing Investment, p. 38	replaces the manufacturer's sales tax credit, which was eliminated for tax years beginning after December 31, 2005	If a taxpayer has $25,000 or less in unused manufacturer's sales tax credit, the unused credit may be claimed, but for each of the first two taxable years beginning after December 31, 2005, it is limited to 50 percent of its amount as of the beginning of the first such taxable year. If the credit cannot be used during this period, it may be carried forward for the remainder of its 20-year carryforward period until used.	Wisconsin Department of Commerce certifies companies eligible for the Manufacturing Investment Credit
Wisconsin Qualified New Business Venture, p. 39	To encourage investment in companies that develop innovative technology by offering tax credits to investors.	a company must show potential for increasing the number of jobs and/or the amount of capital investment in Wisconsin, and be engaged in manufacturing, processing or assembly, or research and development. Investors can claim tax credits of up to 25% of their investments.	Wisconsin Department of Commerce will certify New Business Ventures annually, based on verification information submitted by applicants
Work Opportunity, p. 39	to encourage private-sector corporations to hire individuals from groups that have historically faced barriers to employment, and to encourage these individuals to move from dependency on government aid to self-sufficiency through work.	The tax credit applies to businesses that hire individuals from one of 12 targeted groups. Most target groups qualify the employer for a tax credit of 25% of the wages of employees hired for between 120 and 400 hours, and 40% of those hired for 400 hours or more.	The employer must receive certification from the state workforce agency that the employee is a member of one of the targeted groups. The credit is claimed on the annual federal income tax return