



FOR IMMEDIATE RELEASE (Feb. 7, 2017)

Contact: Tom Still at 608-442-7557

To read full report: <http://wisconsintechcouncil.com/publications/wtc-white-papers/>

Tech Council ‘white papers’ urge investing in next-generation workforce, economy

MADISON – Improving access to capital for Wisconsin entrepreneurs, building the supply of human capital, enhancing the startup and business climate, and improving tech development, delivery and transfer are four major themes of the Wisconsin Technology Council’s 2017 “white papers” report.

The Tech Council is the bipartisan, non-profit science and technology policy adviser to the governor and the Legislature, and a catalyst for tech-based development in Wisconsin. The Tech Council periodically issues “white papers” and special reports to assist those policymakers.

“The ideas offered in the Tech Council’s 2017 white papers are intended to set the table for a renewed public discussion about improving the state’s tech-based economy,” said Toni Sikes, chairwoman of the Tech Council. “As the state weighs its budget priorities for the next biennium, policymakers need to hear ideas that focus on the creation of next-generation jobs for Wisconsin – and keeping our best and brightest young people at home.”

Here are the six main recommendations of the 2017 report, “Investing in Wisconsin’s Future”:

1. Raise the \$8 million cap on credit-eligible investments for Act 255 firms to \$12 million, which will help existing, state-based companies poised for growth.
2. End tax on capital raised by C corps deemed “foreign corporations,” making sure changes are targeted to firms of a certain size, age and other factors.
3. Accelerate investments, where possible, in broadband deployment. This can be done by leveraging federal Connect America Fund 2 and similar grants in Wisconsin with state support.
4. Make it easier to succeed as an entrepreneur in Wisconsin. Barriers to success may include employment non-compete agreements; certain professional and occupational licensing requirements; local or state rules that “fence in” older economic models; and a lack of flexibility regarding new types of corporate structures.
5. Re-invest in higher education. This is a core recommendation in the Tech Council’s spring 2016 report, “The Value of Higher Education to Wisconsin’s Economy.”
6. Invest in emerging clusters unique to Wisconsin, which are often tied to regional or industry sector strengths. Some of these clusters were first identified in the Tech Council’s 2003 report, “Vision 2020: A Model Wisconsin Economy.”

Related ideas for state policymakers and others:

- a. Rethink non-compete agreements.
- b. First, do no harm: Avoid state restrictions on research.
- c. Create a state-leveraged “Grameen Bank” micro-loan program.
- d. Create a WEDC “Welcome Wagon” for companies that acquire, merge or establish strategic partnerships with young companies in Wisconsin.
- e. Increase prize support for the Governor’s Business Plan Contest.
- f. Raise the Act 255 credit from 25 percent to 40 percent for the first \$1 million in eligible investments.
- g. Eliminate state capital-gains taxes on investments held three years or longer in a Wisconsin business.
- h. Re-examine professional and occupational licensing.
- i. Enhance access to out-of-state power.
- j. Embrace innovation in transportation.
- k. Get behind appropriate local efforts to compete for major grants, private and public.
- l. Monitor best practices by leading “think tank” organizations that chart the entrepreneurial and tech-based economy.
- m. Consideration of a “benefit corporation” status for Wisconsin.

Federal policy recommendations

In addition to recommendations to state policymakers, the Tech Council encourages Wisconsin’s congressional delegation to consider the following ideas or proposals.

- Keep the existing “accredited investor” threshold currently being reviewed by the Securities and Exchange Commission (individual income exceeding \$200,000 or joint income with a spouse exceeding \$300,000 and/or \$1 million net worth).
- Support the HALOS Act, or “Helping Angels Lead Our Startups Act,” which provides clearer definition of what constitutes “general solicitation” and clearly exempting demo fairs, pitch conferences and angel group presentations.
- Create a federal tax credit, similar to Wisconsin’s Act 255 tax credit program, that would incentivize investing in technology startups.
- Create new visas for U.S.-educated students and entrepreneurs through legislation such as the “Immigration and Innovation (“I-Squared”) Act,” introduced by U.S. Sen. Orrin Hatch, R-Utah.
- Eliminate artificial per-country caps for employment based immigrant visas.
- Ensure that Wisconsin’s interests in trade and foreign direct investment are protected, with or without bilateral trade agreements.
- Support the work of the bipartisan “Developing and Growing the Internet of Things” study committee.
- Work to reduce cybersecurity threats, external and otherwise.

To read past white papers and other policy reports, visit www.wisconsintechcouncil.com.

###