

TO: Legislative Colleagues
FROM: Senator Feyen and Representative Rohrkaste
DATE: January 10th, 2019
RE: Co-sponsorship of LRB-0203/1 & LRB 1220/1, relating to: an income and franchise tax credit for paid interns and making an appropriation.
Deadline: Friday, January 18th, 2019 at 5 pm

The Talent Pipeline Package: Bill 3

Students who complete internships in a state are more likely to stay in the state after graduation than students who do not. This bill builds off of this [fact](#) by creating a refundable tax credit for businesses who hire paid interns in Wisconsin. The tax credit would allow businesses to claim \$2500 per paid intern for up to 40 interns per year.

The UW System had 150,211 undergraduate students in the 2017-2018 school year. The Wisconsin Technical College System had 187,053 Liberal Arts Transfer, Applied Associate Degree, and Technical Diploma students enrolled in the 2016-2017 school year. WAICU-member colleges and universities currently enroll nearly 55,000 students. While there is no great data source for the number of internships that exist in Wisconsin, what data we can compile suggests there are nowhere near enough internship experiences for every student in Wisconsin to gain an internship experience in this state. For example, the UW System's data suggests only 56% of seniors had participated in an internship experience at some point in their educational career.

If we can increase the number of internship experiences available in Wisconsin, we can increase the number of students having an internship experience in the state, and the retention rates of students upon graduation. Given Wisconsin's current workforce shortage, this bill seeks to incentivize companies to operate an internship program in Wisconsin.

If you are interested in co-sponsoring this legislation please contact Senator Feyen's office at Sen.Feyen@legis.wi.gov or 6-5300 or Representative Rohrkaste's office at Rep.Rohrkaste@legis.wi.gov or 6-5719 by Friday, January 18th. All co-sponsors will be added to the Senate and Assembly versions of the legislation unless specified otherwise.

Analysis by the Legislative Reference Bureau

This bill allows a person to claim an income and franchise tax credit equal to \$2,500 for each intern who performs work in this state for the person and for whom the person provides compensation for performing the work. No person may claim the credit for more than 40 interns in any taxable year. If the amount of the credit exceeds the person's tax liability, the person receives a refund of the excess amount.