REQUEST FOR PROPOSALS
FOR:

PROGRAM EVALUATION – BUSINESS DEVELOPMENT TAX CREDIT PROGRAM

ISSUED BY:
WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

ON:
AUGUST 07, 2023

All questions regarding this RFP must be submitted in writing to Edward Roeger at Edward.Roeger@wedc.org by August 18, 2023, at 4 p.m. CT.

PROPOSALS MUST BE SUBMITTED BY:
SEPTEMBER 05, 2023, 4 P.M. CT

TO:
Shelly Braun
At Shelly.Braun@wedc.org
THE PURPOSE OF THIS REQUEST FOR PROPOSALS (RFP) IS TO PROVIDE INTERESTED PROPOSERS WITH THE INFORMATION NEEDED TO PREPARE AND SUBMIT A PROPOSAL FOR THE FOLLOWING:

I. SCOPE

WEDC is seeking an in-depth program evaluation and analysis of its Business Development Tax Credit (BTC) program in order to understand the effectiveness and economic impact that its BTC investments have had, and to inform the design of the program going forward to provide the highest economic benefit to the State of Wisconsin. Greater detail regarding the program can be found in the Appendix A. Evaluation of BTC project outcomes, impact, and return is to be considered for the set of awards that are closed, which corresponds to contracting across budget years 2016 to 2020 (approximately 115 awards).

1. EVALUATION OF EXISTING PORTFOLIO:
   a. What has been the return on investment (ROI) to the State of Wisconsin based on the performance of BTC awards?
   b. Provide an opportunity cost analysis; do better alternatives exist to meet the goal and/or ROI?
   c. Are there other factors that should be considered for project success such as economic well-being, business size, social & community impacts, current market conditions, workforce, clean energy investment, geography, industry cluster etc. beyond the monetary return on investment?
   d. What types of awards, specifically considering project size, industry, and project location, have had the greatest economic impact locally and to the State of Wisconsin and what factors contributed to this impact?
   e. What relative impact, if any, did the BTC tax credit have in companies locating, expanding, or staying in Wisconsin?

2. ANALYSIS & BENCHMARKING:
   a. Considering other benefits Wisconsin’s tax environment offers companies (i.e., the manufacturing and agriculture tax credit, the fact that the BTC credit is refundable, etc.), what relative value does the BTC credit have for companies versus other states’ offerings?
   b. Analyze and quantify the elements that should be considered before award contracting, and in the following scenarios:
      i. How is a corporate HQ retention project best evaluated for return on investment to the state? Are there project types – retention/attraction/expansion – that consistently have higher returns?
      ii. Geographic differences, including rural versus urban, near a state border, or located in a distressed area.
iii. How can social impacts be measured, and how could they be incented?

iv. Which impacts provide the highest long-term return to communities?

c. The BTC program allows for up to a 10-year project span, but there are no restrictions on a second incentive after the original contract obligations are met.
   i. Is there an optimal length of an incentive?
   ii. Under what circumstances, should the state enter a subsequent/follow on BTC incentive with a company at the conclusion of a first incentive contract?
   iii. What would be the relative value to the state of an initial incentive award compared to a subsequent or follow-on incentive award?
   iv. Is there another type of award/program that would be optimal to follow with after a BTC rather than another BTC?

d. How can administration and interpretation of statute be simplified and made more accessible?
   i. Provide a comparison of how WEDC’s definition and verification of eligible jobs compare with other states.

e. Analyze the local and industry cluster economic impact of the program on an appropriate time scale that encompasses the post contracting period and also extending an appropriate period beyond WEDC project performance reporting.

f. Compare the return on investment of the BTC program with other similar state programs.

g. Draw on academic research identifying factors that affect business choices and incentive effectiveness at the business level. How can a company’s assertion that the tax incentive is needed for the project to happen in Wisconsin be validated?

h. How do state and national economic trends – including, but not limited to industry and cluster technological disruption/changes, business cycle changes, state regional growth patterns and federally distressed communities and associated overlays – affect how impactful a refundable tax credit will be to the company and to the state? Consideration for the business climate effects of the Covid-19 Pandemic should also be given to those projects that were active in 2020-2021.

3. RECOMMENDATIONS
   a. WEDC is seeking recommendations, both in terms of program data collection and structure, based on the above evaluation, analysis, and benchmarking, in addition to designing a model incentive program with
clear evaluation criteria that will provide a high economic impact to the State of Wisconsin. WEDC requests a recommendation as to best practice on timing & frequency of future internal and 3rd party evaluations.

WEDC has had third party program evaluations of other programs in addition to internal program and process improvement groups, some of which will be provided by WEDC. An expectation of this evaluation is that a review of pertinent internal and external research and analysis will be performed, and the evaluation will proceed in line with generally accepted best practices.

At a minimum, the contracted evaluator will provide progress reporting to our steering committee through monthly meetings.

### Expected Timeline

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<tr>
<td>RFP issuance</td>
<td>August 07, 2023</td>
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<tr>
<td>Questions due</td>
<td>August 18, 2023</td>
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<td>Proposals due</td>
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<td>WEDC review of RFP's</td>
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<td>Announcement of vendor chosen</td>
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<td>Contracting</td>
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<td>Project work</td>
<td>October 11, 2023-April 30, 2024</td>
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<td>Final evaluation report due to WEDC*</td>
<td>April 30, 2024</td>
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* Vendor shall present the final evaluation report to WEDC Leadership in-person

## II. WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

The Wisconsin Economic Development Corporation (WEDC) is a public body corporate and politic governed by Chapter 238 of the Wisconsin Statutes. WEDC was created under 2011 Wisconsin Act 7 and 2011 Wisconsin Act 32 to replace the economic and community development operations of the former Wisconsin Department of Commerce and to serve as the State of Wisconsin’s lead economic development organization. WEDC is governed by a Board of Directors. WEDC’s Chief Executive Officer is appointed by the Governor.

WEDC provides financial and technical assistance to communities, businesses, and organizations in Wisconsin for the purpose of supporting an economy for all. WEDC provides grants, loans, tax credits and other financial and technical assistance to its customers.

*WEDC’s mission is to strategically invest in Wisconsin to enhance the economic well-being of people and their businesses and communities. With a vision of: An Economy for All, where every Wisconsinite has the opportunity to thrive.*
III. PROPOSAL REQUIREMENTS

1. MANDATORY REQUIREMENTS
   a. Vendor’s ability to provide the services outlined in the scope of work.

2. ORGANIZATIONAL AND STAFF CAPABILITIES
   a. Provide a brief description of the proposer’s history and organization. The proposer must describe its organization in terms of the size, structure, areas of practice, and office location.
   b. Describe the proposer’s experience performing related services.
   c. Attach (or provide a link) to examples of three relevant engagements held by the proposer which identify similar experience.
   d. Provide a list of all staff persons who will be involved in carrying out the tasks covered by this RFP, describing each in terms of their involvement in specific tasks and qualifications.
   e. Provide a resume for each staff person proposed to provide the services under this RFP; each resume must include the qualifications, background, and experience of the staff person.
   f. Provide a list of any subcontractors (individual or organizational) that the proposer intends to use when providing services under this RFP (Note: the proposer is not required to use subcontractor(s). However, no subcontractor may be used without WEDC’s written approval.)

3. TECHNICAL REQUIREMENTS/APPROACH TO THE PROJECT
   a. Describe, in detail, the proposer’s technical approach to the project as outlined in section I “Scope” of this RFP.
   b. Describe, in general, the proposer’s expected award level data needed to complete the project.
   c. Describe the proposer’s capability with regard to working with confidential business data: receiving, analyzing, and anonymizing for reporting.
   d. Provide a timeline for conducting the work under this RFP. While the end date is flexible, WEDC would like the final evaluation due by April 30, 2024, with a draft due to WEDC by April 01, 2024.
   e. Indicate in your proposal if the work under this RFP will be performed remotely, in person, or hybrid.

4. DOCUMENTS
   a. Provide a copy of the proposer’s W-9.
   b. Provide a copy of the proposer’s standard contract documents.
c. Provide a completed form of Supplier Demographic Attestation

IV. COST PROPOSAL

Proposers should provide a fixed cost proposal for the services to be provided under this RFP, including anticipated out of pocket costs. The cost proposal should include the estimated number or hours and the billing rate for each level of team member assigned to the engagement. The cost proposal shall be a not to exceed total cost for the services to be provided under this RFP.

V. TERMS AND CONDITIONS

The following terms and conditions affect responses to this RFP and any resulting contract. These terms shall be adhered to by any interested proposer and are non-negotiable.

1. CONFIDENTIALITY

Proposer acknowledges that all information, data, records and documents disclosed by WEDC to proposer, or which come to proposer's attention during the course of its response to this RFP or performance under any resulting contract constitute valuable and proprietary assets of WEDC (Confidential Information). Proposer agrees not to disclose the Confidential Information, either directly or indirectly, to any person, entity or affiliate unless required to do so by legal process of law without prior authorization by WEDC. If required to disclose Confidential Information by legal process, Proposer shall provide WEDC with prompt notice so WEDC may seek an appropriate protective order. Except as required to respond to this RFP or during the course of its performance under the terms of any resulting Agreement, proposer shall not use any Confidential Information for its own purposes.

2. CONFLICT OF INTERESTS

Proposers’ response to this RFP must include, in writing, disclosure of any potential conflict of interests that may arise from proposer’s performing services for WEDC. Any resulting contract will require that if a vendor fails to disclose a potential conflict of interest, and if WEDC determines such failure to disclose involves a material conflict of interest, the vendor’s contract may be declared to be void by WEDC and any amounts paid under the contract may be recovered by WEDC. Vendors shall advise WEDC of any changes in potential conflicts of interest. This language may change with the new procurement policy.

3. NONDISCRIMINATION

Pursuant to Wisconsin law, any contract resulting from this RFP will include the following language regarding nondiscrimination:

In connection with the performance of work under this contract, Licensor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in § 51.01(5), sexual orientation or
national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, Licensor further agrees to take affirmative action to ensure equal employment opportunities. Licensor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the recipient officer setting forth the provisions of the nondiscrimination clause.

4. PUBLIC RECORDS
Responses to this RFP, any communication with WEDC, and any resulting contract and work product are subject to the public records laws of the State of Wisconsin, § 19.31 et seq. Proposers shall mark documents “confidential” where appropriate for financial and other sensitive materials that should be, to the extent possible, be kept in confidence. WEDC will notify the proposer if it receives a public records request for materials marked confidential.

5. INSURANCE
If awarded the contract, the proposer shall maintain Worker’s Compensation, Comprehensive General Liability, including Contractual Liability, and Automobile Liability insurance for any claims that may arise from operations under the contract.

VI. RFP PROCESS
1. REASONABLE ACCOMMODATIONS
WEDC will provide reasonable accommodations, including the provision of informational material in an alternative format, for individuals with disabilities upon request.

2. COMMUNICATION WITH WEDC & SUBMITTING QUESTIONS
All communication regarding this RFP shall be directed to WEDC’s Strategic Performance Director, Edward Roeger at Edward.Roeger@wedc.org. Information regarding this RFP obtained from other sources is unofficial and nonbinding. Communication with other sources may be cause for rejection of a proposal. All questions regarding this RFP must be submitted in writing to WEDC’s Strategic Performance Director, Edward Roeger by August 18th, 2023, at 4:00 p.m. CT.

3. INCURRING COSTS
WEDC is not Liable for any cost incurred by a vendor for responding to this RFP.

4. NEW RELEASES
News releases pertaining to the RFP or to the acceptance, rejection or evaluation of proposals shall not be made without the prior written approval of WEDC.

5. SUBMITTING THE PROPOSAL
Proposers shall submit an electronic, PDF, version of their Proposal to WEDC’s Senior Vice President of Credit and Risk, Shelly Braun at Shelly.braun@wedc.org, no later than September 05, 2023, at 4:00 p.m. CT. Hard copies will not be accepted. The proposal is to be submitted on time. Proposal responses should follow the sequence and outline presented in this RFP.
VII.  EVALUATION OF RFP

6.  PROPOSAL REVIEW, VERIFICATION, AND ACCEPTANCE
WEDC shall review each proposal to verify that it meets all specified requirements in
the RFP. Proposals that do not comply with instructions contained in the RFP may be
rejected by WEDC. WEDC reserves the right to waive a particular specification if no
proposer meets that specification. WEDC may request reports on the proposer's
financial stability. WEDC may reject a proposal if the proposer is determined to have
inadequate financial means to provide the required service. WEDC retains the right to
accept or reject any or all proposals, or accept or reject any part of a proposal,
determined to be in the best interest of WEDC. WEDC shall be the sole judge as to
compliance with the instructions contained in this RFP. Proposals shall be firm for
acceptance for sixty (60) days from date of proposal opening unless otherwise noted. A
proposer may not modify its proposal after submission except to correct minor
omissions or miscalculations as directed in writing by WEDC.

7.  PROPOSAL SCORING
Proposals may be reviewed by the Audit and Budget Committee of the Board of
Directors. The Committee may review references, require oral
interviews/presentations and use the results in its review.

It is WEDC’s intent to have its Supplier Diversity Program reflect its commitment to
diversity, equity and inclusion. Therefore, proposals from Diverse Businesses will
receive a Five Percent (5%) preference during the proposal scoring process. WEDC
strongly encourages Diverse Businesses to apply/submit proposals. (See Supplier
Demographic Attestation attached, Appendix B)

8.  EVALUATION CRITERIA
Mandatory requirements must be met in order for a proposal to be considered for
award under this RFP. Evaluation of the proposals will be based on the proposer’s
relevant experience providing like services, the quality of the team dedicated to this
project, the proposer’s approach to the project and project timeline, and proposed
fees.

9.  RIGHT TO REJECT PROPOSALS AND NEGOTIATE WITH PROPOSERS
WEDC reserves the right to reject any and all proposals. WEDC may enter into
negotiations with multiple vendors regarding the terms of the contract and the cost
proposal before determining the highest scoring proposer. WEDC shall not, under any
circumstances, reveal a proposer’s cost proposal to any other proposer prior to
contracting for services.

10.  AWARD DECISION
WEDC will make the award to the proposer deemed to provide the services described
in this RFP at the best value to WEDC, taking into consideration the proposers'
experience, expertise, and cost proposals.

11.  NOTICE OF INTENT TO AWARD
All proposers who respond to this RFP will be notified in writing of WEDC’s intent to
award the contract as a result of this RFP.
APPENDIX A: PROGRAM GUIDELINE & STATUTORY CITATIONS

Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2023

Program Name: Business Development Tax Credits (BTC)
Program Inception: 2015 Wisconsin Act 55
Lead Division: Business and Community Development
☒ New    ☐ Revised
☒ Aid    ☐ Pass-thru Aid    ☐ Technical Assistance

Program Goal:

The goal of the Business Development Tax Credit (BTC) Program is to incent new and expanding businesses in the state of Wisconsin.

Program Description:

The program supports job creation, capital investment, training, and Corporate Headquarters location or retention by providing businesses located in or relocating to Wisconsin with refundable tax credits that can help to reduce their Wisconsin income/franchise tax liability or provide a refund, thereby helping to enhance their cash flow to expand the project’s scope, accelerate the timing of the project or enhance payroll.

Eligibility Requirements:

Definitions:

The following definitions supplement those in §§ 238.308, 71.07 (3y), 71.28 (3y), and 71.47 (3y), Wis. Stats.
• “Baseline” means Recipient’s number of Full-Time Jobs during the 12 months immediately preceding the Certification Date. Projects will have a Statewide Baseline, as well as a Project Baseline.

• “Certified Business” means a business certified by WEDC as eligible to earn Tax Credits based on the parameters of this guideline and based on the business’ total number of Eligible Employees in the State of Wisconsin as determined by the Federal Employment Identification Number (“FEIN”) under which the business files its taxes.

• “Certification Date” means the date, designated by WEDC, on which the eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.

• “Corporate Headquarters” means the office location where staff members or employees are physically employed and where the majority of the company’s financial, personnel, legal, planning, or other related functions are organized at a divisional, regional, national or global basis. In considering an office as a Corporate Headquarters, WEDC will consider the business’ existing locations as of the Certification Date.

• “Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:
  o Unemployment rate
  o Percentage of families with incomes below the poverty line
  o Median family income
  o Median per capita income
  o Average annual wage
  o Manufacturing assessment values by county
  o Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

• “Eligible Employee” means a person employed in a Full-Time Job by a Certified Business.¹

• “Eligible Training Cost” means (1) the cost of the trainer; (2) the cost of the training materials; (3) the wages of the trainee while in a classroom setting; or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting. Eligible training costs do not include travel expenses, food or lodging.

• “Financial Institution” means a bank, as defined in s. 214.01 (1) (c), a savings bank, as defined in s. 214.01 (1) (t), a savings and loan association, a trust company, a credit union, as defined in s. 186.01 (2), a mortgage banker, as defined in s. 224.71 (3), or a mortgage broker, as defined in s. 224.71 (4), whether chartered under the laws of this state, another state or territory, or under the laws of the United States; a company that controls, is controlled by, or is under common control with a bank, a

¹ Wis. Stat. § 238.308(1); Wis. Stat. § 71.07(3y)(a)2; Wis. Stat. § 71.28(3y)(a)2; Wis. Stat. § 71.47(3y)(a)2.
savings bank, a savings and loan association, a trust company, a credit union, a mortgage banker, or a mortgage broker; or a person licensed under s. 138.09, other than a person who agrees for a fee to hold a check for a period of time before negotiating or presenting the check for payment and other than a pawnbroker, as defined in s. 138.10 (1) (a).

- A “Full-Time Job” means a regular, non-seasonal full-time position in which the annual pay for the position is more than the amount determined by multiplying 2,080 by 150% of the federal minimum wage, and an individual in the position is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year. “Full-Time Job” does not include initial training before an employment position begins.²

Employees that do not meet this definition will not be counted toward headcount or wages. Part-time employees do not count.

- “Ineligible Business” means businesses ineligible for tax credits unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or significant capital investment, and such extraordinary circumstances are approved by the Board of Directors’ Awards Administration Committee. Such Ineligible Businesses include:
  - Payday loan and title loan companies
  - Telemarketing other than inbound call centers
  - Pawn shops
  - Media outlets
  - Retail
  - Farms
  - Primary care medical facilities
  - Financial Institutions
  - The hospitality industry

- “Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

- “Tax Credits” means the BTCs authorized pursuant to Wisconsin Statutes §§ 238.308, 71.07 (3y), 71.28 (3y), and 71.47 (3y).

- “Taxable Year” means the taxable period upon the basis of which the taxable income of the taxpayer is computed for federal income tax purposes. The taxable year of a taxpayer who keeps his or her accounting records on the basis of a 52−53 week period ends on the last day of the month closest to the end of the 52−53 week period.³

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² While there are two statutory definitions of Full-Time Employee, WEDC utilizes the above identified definition in its contracts: Wis. Stat. § 238.30(2m).

³ Wis. Stat. § 71.01(12).
Certification:

WEDC may certify a business as eligible to earn Tax Credits if (1) the business plans to annually increase its net employment in Wisconsin above the business’ employment in Wisconsin in each year after its Certification Date;\(^4\) (2) the business is operating, or intends to operate, in the state of Wisconsin;\(^5\) and (3) the business applies and enters into a contract with WEDC.\(^6\) There is no limit on the number of businesses that may be certified for Tax Credits under this program. Each certification may exist for up to ten cumulative years.\(^7\) WEDC may cap the award and/or limit the number of years in which Tax Credits may be claimed by a Certified Business.

WEDC will evaluate Tax Credit applications based on factors including:

- Whether the project would occur without the allocation of Tax Credits;
- The extent to which the project will increase employment in Wisconsin;
- The extent to which the project will contribute to the economic growth of Wisconsin;
- The extent to which the project will increase geographic diversity of available Tax Credits throughout Wisconsin;
- The financial soundness of the business; and
- Any previous financial assistance that the business received from the Department of Commerce or WEDC.

To be eligible for a BTC award, the applicant must offer the employees filling the Full-Time Jobs to be attracted, created or retained as part of the project at least 50% of the health insurance benefit costs to the employees or other equivalent health insurance benefits that are acceptable to WEDC. Recipients will be expected to continue to offer all Eligible Employees retirement, health and other benefits.

Tax Credits may be awarded for any of the following eligible activities: job creation,\(^8\) training,\(^9\) capital investment\(^10\) and/or Corporate Headquarters location or retention\(^11\). Generally, the maximum amount of Tax Credits awarded for a project will be determined by calculating the greater of the amount a Recipient could earn under either job creation or capital investment. WEDC is not required to award the Recipient the maximum amount allowed by statute. A business may be awarded an additional amount of Tax Credits if the project meets any of the following criteria:

- The project is located in an Economically Distressed area or Opportunity Zone;
- Locating or retaining a Corporate Headquarters;

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\(^4\) Wis. Stat. § 238.308(3).
\(^5\) Wis. Stat. § 238.308(2)(a)1.
\(^6\) Wis. Stat. § 238. 308(2)(a)2.
\(^7\) Wis. Stat. § 238. 308(2)(b).
\(^8\) Wis. Stat. § 238. 308(4)(a)1, 2; Wis. Stat. § 71.07(3y)(b)1, 2; Wis. Stat. § 71.28(3y)(b)1, 2; Wis. Stat. § 71.47(3y)(b)1, 2.
\(^9\) Wis. Stat. § 238. 308(4)(a)3; Wis. Stat. § 71.07(3y)(b)3; Wis. Stat. § 71.28(3y)(b)3; Wis. Stat. § 71.47(3y)(b)3.
\(^10\) Wis. Stat. § 238. 308(4)(a)4; Wis. Stat. § 71.07(3y)(b)4; Wis. Stat. § 71.28(3y)(b)4; Wis. Stat. § 71.47(3y)(b)4.
\(^11\) Wis. Stat. § 238. 308(4)(a)5; Wis. Stat. § 71.07(3y)(b)5; Wis. Stat. § 71.28(3y)(b)5; Wis. Stat. § 71.47(3y)(b)5.
• Wisconsin is competing for the investment with one or more out-of-state locations;
• Fifty percent of Eligible Employees’ wages are greater than 400 percent of the federal minimum wage;
• Industry jobs multiplier is greater than 2.0; or
• Any other criteria as approved by the Awards Administration Committee of the Board of Directors

Once the maximum tax credit award amount is determined, WEDC will evaluate all aspects of the project to determine which eligible activities to incent with tax credits. A project may receive tax credits for multiple eligible activities. A Certified Business may qualify for Tax Credits only for eligible activities that occur after the Certification Date established by WEDC. The amount of tax credits awarded for each activity shall align with the following calculations:

**Job Creation**

The amount of Tax Credits awarded for job creation may equal up to 10% of the annual wages for Eligible Employees in Full-Time Jobs.\(^{12}\) In an Economically Distressed area, the amount of Tax Credits may equal up to an additional 5% of the annual wages for Eligible Employees.\(^{13}\) Tax Credits may not be earned for wages over $100,000 per year.

Generally, a business will be initially certified for amounts for job creation based on projected Full-Time Jobs to be created over three years. Certified Businesses may earn these Tax Credits over three years, based on the increase in wages, each year compared to the prior year, at the project location(s) for which the award is made, subject to annual verification. Full-Time Jobs filled by Eligible Employees for which Tax Credits have been verified must be maintained for a period of either five years from the Certification Date, or a period of two years after the final earning period for job creation and retention, whichever is longer, measured as of the last day of the maintenance period. Generally, WEDC will not award tax credits for retained jobs; however, in cases where WEDC does incent retained jobs with job retention tax credits, those credits will be calculated based on the Baseline wages earned on an equal basis over three years. Tax Credits will be released annually, based on the wages of Full-Time Jobs filled by Eligible Employees during the Recipient’s taxable year.

**Training**

The amount of Tax Credits awarded for training may equal up to 50% of Eligible Training Costs incurred to undertake activities to enhance an Eligible Employee’s general knowledge, employability, and flexibility in the workplace; to develop skills unique to the business’s workplace or equipment; or to develop skills that will increase the quality of the business’s product.\(^{14}\)

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\(^{12}\) Wis. Stat. § 238.308(4)(a)1; Wis. Stat. § 71.07(3y)(b)1; Wis. Stat. § 71.28(3y)(b)1; Wis. Stat. § 71.47(3y)(b)1.

\(^{13}\) Wis. Stat. § 238.308(4)(a)2; Wis. Stat. § 71.07(3y)(b)2; Wis. Stat. § 71.28(3y)(b)2; Wis. Stat. § 71.47(3y)(b)2.

\(^{14}\) Wis. Stat. § 238.308(4)(a)3; Wis. Stat. § 71.07(3y)(b)3; Wis. Stat. § 71.28(3y)(b)3; Wis. Stat. § 71.47(3y)(b)3.
Those activities must be related to the project that is the subject of the application for Tax Credits, and not for those activities that allow an employee to function within the day-to-day operations of the business or for the general, organic growth of the business. Examples of ineligible activities include orientation, or training on a business process management system.

**Capital Investment**

The amount of Tax Credits awarded for new capital investment may equal up to 3% of the business’ personal property investment and up to 5% of its new real property investment.

To qualify for Capital Investment tax credits, the project must involve a total capital investment of at least $1,000,000 or for projects that involve a total capital investment of less than $1,000,000, the total investment must be equal to at least $10,000 per Eligible Employee employed on the project.

**Corporate Headquarters**

The amount of Tax Credits awarded for the location or retention of a Corporate Headquarters may equal up to 10% of the annual wages of positions created or retained for Eligible Employees if the position in which the Eligible Employee was employed was created or retained in connection with the location or retention of the Corporate Headquarters in Wisconsin, and the job duties associated with the Eligible Employee's position involve the performance of Corporate Headquarters functions. Tax Credits may not be earned for wages over $100,000 per year. Generally, a business will be initially certified for amounts for Corporate Headquarters job creation based on projected Full-Time Jobs to be created over three years.

Certified Businesses may then earn these Corporate Headquarters job creation credits over a period of three years based on the increase in wages at the project location(s) for which the award is made, year-over-year, subject to annual verification.

Corporate Headquarters retention credits will be calculated based on the Baseline wages earned on an equal basis over three years.

Full-Time Jobs filled by Eligible Employees for which Tax Credits have been verified must be maintained for a period of either five years from the Certification Date, or a period of two years after the final earning period for job creation and retention, whichever is longer, measured as of the last day of the maintenance period. Tax Credits will be earned annually, based on the wages of Full-Time Jobs filled by Eligible Employees during the Recipient’s taxable year.

**Eligibility to Claim:**

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15 Wis. Stat. § 238. 308(4)(a)4; Wis. Stat. § 71.07(3y)(b)4; Wis. Stat. § 71.28(3y)(b)4; Wis. Stat. § 71.47(3y)(b)4.

16 Wis. Stat. § 238. 308(4)(a)5; Wis. Stat. § 71.07(3y)(b)5; Wis. Stat. § 71.28(3y)(b)5; Wis. Stat. § 71.47(3y)(b)5.
In order to be eligible to claim Tax Credits in any year for which the business is certified, the Certified Business must increase its net employment in Wisconsin above the Certified Business’ net employment in Wisconsin in each year after the Certification Date.\textsuperscript{17}

WEDC will annually calculate the amount of Tax Credits earned\textsuperscript{18} and able to be claimed by the Certified Business based on eligible activities, and may request additional information from the Certified Business. WEDC will notify the Certified Business and the Department of Revenue of the amount eligible to be claimed against the Certified Business’ taxes each year with a written verification of the Tax Credits earned. A Certified Business must attach appropriate forms to its Wisconsin tax return submitted to the Department of Revenue to obtain the tax benefits.\textsuperscript{19} No person may file with the Department of Revenue for Tax Credits without the written certification of WEDC.\textsuperscript{20}

Tax Credits are refundable. If the amount of Tax Credits approved for a taxable year exceeds the amount of tax due for the taxable year, the excess credit amount will be refunded to the Certified Business.\textsuperscript{21} The Tax Credits are non-transferable, and must be claimed in accordance with the statutory requirements.

**Incentives and Available Funding (CY 2023):**

$22,000,000 tax credit allocation

Subject to reallocation of additional funds up to $10,000,000,\textsuperscript{22} and carryforward unused credits, WEDC will allocate no more than $22,000,000\textsuperscript{23} in Tax Credits for Certified Businesses in any calendar year.

**Activities and Expected Outcomes:**

Assist 30 businesses to support the creation of 1500 jobs, retention of 2500 jobs and achieve a 20:1 leverage of other investment.

**Performance Reporting:**

Recipients will be required to annually submit a performance report documenting capital investment, job creation, job retention, as well as any other contract deliverables.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

\textsuperscript{17} Wis. Stat. § 238.308(3)
\textsuperscript{18} Wis. Stat. § 238. 308(5)(b).
\textsuperscript{19} Wis. Stat. § 71.07(3y)(c)2; Wis. Stat. § 71.28(3y)(c)2; Wis. Stat. § 71.47(3y)(c)2.
\textsuperscript{20} Wis. Stat. § 71.07(3y)(d)2; Wis. Stat. § 71.28(3y)(d)2; Wis. Stat. § 71.47(3y)(d)2.
\textsuperscript{21} Wis. Stat. §238.308(4)(d).
\textsuperscript{22} Wis. Stat. §238.308(4)(c).
\textsuperscript{23} Wis. Stat. §238.308(4)(b).
WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.

**Application and Awards Process:**

The BTC program has a continuous application process. Applicants for the BTC program should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

For more information on application review, internal process, and award distribution, please refer to WEDC’s award administration policies and procedures.

**Revision History:**

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Description of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2017</td>
<td>Standardized expected outcomes language and added metric for leverage</td>
</tr>
<tr>
<td>7/1/2017</td>
<td>Eliminated unnecessary maintenance period for tax credits awarded for training</td>
</tr>
<tr>
<td>9/23/2017</td>
<td>Pursuant to 2017 Act 59, WEDC may annually request from the Joint Committee on Finance additional allocation authority</td>
</tr>
<tr>
<td>7/1/2018</td>
<td>Added statutory citations</td>
</tr>
<tr>
<td>7/1/2018</td>
<td>Clarified criteria for awarding additional tax credits</td>
</tr>
<tr>
<td>7/1/2018</td>
<td>Clarified maintenance requirements for job creation and retention</td>
</tr>
<tr>
<td>7/1/2019</td>
<td>Expanded criteria for awarding additional tax credits to include Opportunity zones; standardized application process and performance reporting sections for consistency; clarified duration of maintenance period and performance reporting requirements</td>
</tr>
<tr>
<td>4/20/2021</td>
<td>Aligned program guidelines with the annual calendar year credit allocation</td>
</tr>
</tbody>
</table>
APPENDIX B: SUPPLIER DEMOGRAPHIC ATTESTATION

Vendor Name: __________________

PROCUREMENT DESCRIPTION:

Please complete the following questions to assist the Wisconsin Economic Development Corporation more accurately track its procurement spending with diverse businesses.

THE VENDOR IDENTIFIED ABOVE IS A:

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minority-Owned Business Enterprise (MBE)</strong></td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>• Sole proprietorship, partnership, corporation, limited liability company or joint venture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Belong to an ethnic minority group: Native American, Black, Hispanic, Asian Indian, Asian Pacific, Aleut, Eskimo, Middle Eastern, North African, or Native Hawaiian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Be at least 51% owned, controlled, and actively managed by minority group members for at least the last one (1) year or the full term of the businesses’ s existence</td>
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</tr>
<tr>
<td><strong>Woman-Owned Business Enterprise (WBE)</strong></td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>• Sole proprietorship, partnership, corporation, limited liability company or joint venture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Be at least 51% owned, controlled, and actively managed by women group members for at least the last one (1) year or the full term of the businesses’ s existence</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disabled Veteran-Owned Business Enterprise (DBV)</strong></td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>• Sole proprietorship, partnership, corporation, limited liability company or joint venture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• At least 51% owned, controlled, and actively managed by disabled veteran group members</td>
<td></td>
<td></td>
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</tbody>
</table>

Notes/Comments:
<table>
<thead>
<tr>
<th><strong>Veteran-owned business (VB)</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• At least 51% of the business must be directly and unconditionally owned by one or more veteran(s) or service-disabled veteran(s)</td>
<td></td>
</tr>
<tr>
<td>• At least 51% owned, controlled, and actively managed by one or more veterans for at least the last one (1) year or the full term of the businesses’ s existence</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LGBT-Owned Enterprise (LGBTE)</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sole proprietorship, partnership, corporation, limited liability company or joint venture</td>
<td></td>
</tr>
<tr>
<td>• At least 51% owned, controlled, and actively managed by one or more person(s) who identifies as lesbian, gay, bisexual, and/or transgender for at least the last one (1) year or the full term of the businesses’ s existence</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Disability-Owned Enterprise (DE)</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sole proprietorship, partnership, corporation, limited liability company or joint venture</td>
<td></td>
</tr>
<tr>
<td>• At least 51% owned, controlled, and actively managed by one or more person(s) with a disability for at least the last one (1) year or the full term of the businesses’ s existence. A person with a disability is defined as a person with a physical and/or mental impairment that substantially limits one or more major life activities.</td>
<td></td>
</tr>
</tbody>
</table>

Unable to identify Vendor’s demographics due to organization status specified here (e.g., non-profit, government entity, etc.):

Please check here if you are choosing not to provide demographic information.

I CERTIFY THAT THE INFORMATION PROVIDED IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE, AND THAT I AM AUTHORIZED TO EXECUTE THIS ATTESTATION ON BEHALF OF THE VENDOR.

Signature: __________________________ Date: ______________
Name: ____________________________

Position: __________________________