



**WISCONSIN
BUSINESS
ALLIANCE**

Letter in Support of AB47

February 5, 2014

Members of the Committee:

I am writing to express support for AB47, the "Small Business Credit Now" bill. AB47 would make it easier for Wisconsin businesses to secure the financing they need to grow and thrive.

As I'm sure you are aware, lenders around the nation and across the state continue to be understandably risk-averse following the financial crisis. Access to capital is a serious and ongoing problem for small business owners.

While tax credits have their place in economic development programs, we maintain that a balanced strategy should include different provisions for smaller businesses. That's because, in general, tax credits are helpful to businesses that have enough liquid capital to make a large initial investment in a particular project, but they are of little use to firms that can't afford to make the investment to begin with.

AB47 provides a way for businesses with fewer than 25 employees or less than \$5 million in receipts to get the financing they need up front. Rather than receiving tax credits after the investment is made and profits are realized, qualified small businesses could receive the value of selected tax credits for which they are eligible as a grant up front. This grant, in turn, could be used as equity for financing.

AB47 will allow qualified small manufacturers, farmers, and other business owners to gain easier access to credit, which will in turn lead to more jobs and broad-based economic growth.

The bill will help alleviate the credit crisis for Wisconsin's small businesses. On behalf of our members, I urge its swift passage.

Kind regards,

Lori Compas
Executive Director, Wisconsin Business Alliance