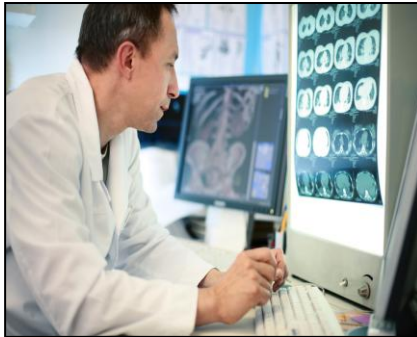


# Mississippi River Regional Planning Commission Business Financing Guide



Prepared by the Mississippi River Regional Planning  
Commission, 2010, Updated March 2014.



## ABSTRACT

- Title** Mississippi River Regional Planning Commission Business Financing Guide, 2014
- Published:** 2010, Updated 2014
- Financing Programs Studied:** Revolving loan funds, Small Business Administration programs, state and federal loan and grant programs, disaster assistance programs, and state and federal tax credits that would be useful to businesses starting up or expanding in Western Wisconsin
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## TABLE OF CONTENTS

|   |    |
|---|----|
| <b>INTRODUCTION</b> .....   | 1  |
| <b>REVOLVING LOAN FUNDS (City/Village)</b>  |    |
| Community Development Authority (CDA) of the City of Hillsboro Business Grant/Loan Fund .....                           | 3  |
| Hillsboro Community Development Authority (HCDA) Facade Improvement Program.....  | 3  |
| Hillsboro Economic Development Incentive Program .....  | 4  |
| Village of Kendall .....  | 5  |
| City of La Crosse Small Business Development Loan Program .....   | 6  |
| City of La Crosse Small Scale Business Assistance Programs .....  | 6  |
| City of Mondovi Business Development Fund (MBDF) .....  | 8  |
| City of Osseo Revolving Loan Fund.....  | 9  |
| City of Sparta Revolving Loan Fund .....  | 10 |
| City of Tomah.....  | 11 |
| City of Viroqua Business Loan Fund.....   | 12 |
| City of Whitehall Community Development Fund.....   | 13 |
| <b>REVOLVING LOAN FUNDS (County)</b>  |    |
| Buffalo County .....  | 14 |
| Jackson County Loan Fund .....  | 15 |
| La Crosse County Economic Development Fund .....  | 16 |
| Monroe County Revolving Loan Fund.....  | 17 |
| Pepin County Revolving Loan Fund.....   | 18 |
| Vernon County Loan Fund .....   | 19 |
| <b>REVOLVING LOAN FUNDS (Regional)</b>  |    |
| Business Capital Fund (Buffalo, Jackson, Pepin, Pierce, Trempealeau Counties) .....                                     | 20 |
| CouleeCAP Job and Business Development Program (Crawford, La Crosse, Monroe, Vernon Counties) .....                     | 21 |
| CMV Growth Development Fund (Crawford, Monroe, and Vernon Counties).....  | 22 |
| Impact Seven – Greater Wisconsin Fund (All of Wisconsin) .....  | 23 |
| Regional Business Fund, Inc., (RBF Inc.) - Revolving Loan Fund (8 counties in Western WI Including Pierce County) ..... | 24 |
| RBF Inc. - Downtown Facade Loan Fund (8 counties in Western WI Including Pierce County) .....                           | 24 |
| RBF Inc. - Micro Loan Fund (8 counties in Western WI Including Pierce County) .....                                     | 25 |
| RBF Inc. - Technology Enterprise Fund (8 counties in Western WI Including Pierce County) .....                          | 26 |
| <b>SMALL BUSINESS ADMINISTRATION (SBA) PROGRAMS:</b>  |    |
| General Small Business Loans: 7(a).....   | 27 |
| CAPLines.....   | 28 |
| SBA Export Loan Programs .....  | 29 |
| International Trade Loan Program (ITL).....   | 29 |
| Export Working Capital Program (EWCP) .....   | 29 |
| SBA Export Express .....  | 29 |
| U.S. Export Assistance Center (USEAC).....  | 29 |
| Community Adjustment and Investment Program (CAIP) .....  | 29 |
| Microloan Program.....  | 29 |
| Community Advantage (CA) .....  | 30 |
| Small Business Investment Company (SBIC) Program .....  | 30 |
| Employee Trusts .....   | 30 |
| Pollution Control.....  | 30 |
| Other Special Purpose Programs .....  | 30 |
| Certified Development Company (CDC) Program – also known as the 504 Program .....                                       | 31 |

|  |           |
|--|-----------|
| Disaster Recovery.....   | 32        |
| HUBZone Empowerment Contracting Program .....  | 32        |
| <b>USDA RURAL BUSINESS LOANS AND DISASTER ASSISTANCE PROGRAMS</b>  |           |
| USDA Business and Industry (B&I) Guaranteed Loan Program .....   | 33        |
| USDA – Farm Service Agency, Farm Storage Facility Loan Program .....   | 33        |
| USDA Farm Service Agency – Microloan Program.....  | 33        |
| USDA Rural Economic Development Loan and Grant (REDLG) Program .....   | 34        |
| USDA Disaster Assistance - Emergency Assistance for Livestock, Honey Bees, & Farm-Raised Fish.....               | 34        |
| USDA Disaster Assistance - Livestock Forage Disaster Program .....   | 34        |
| USDA Disaster Assistance - Livestock Indemnity Payments (LIP) .....  | 34        |
| USDA Disaster Assistance - Tree Assistance Program (TAP).....  | 34        |
| <b>US DEPARTMENT OF ENERGY (DOE) – LOAN PROGRAM .....</b>  | <b>34</b> |
| <b>PROVISIONS OF 2014 FARM BILL</b>  |           |
| The Rural Energy for America Program (REAP) .....  | 35        |
| The Biomass Crop Assistance Program (BCAP) .....   | 35        |
| The Repowering Assistance Program.....   | 35        |
| <b>WISCONSIN ECONOMIC DEVELOPMENT CORPORATION LOANS, GRANTS &amp; PROGRAMS</b>                                   |           |
| Brownfield Program .....   | 36        |
| Business Opportunity Loan .....  | 36        |
| Impact Loans .....   | 36        |
| Training Grants .....  | 37        |
| Technology Development Loans - Flexible Lending Options for New Technology Development .....                     | 37        |
| Global Business Development Program .....  | 37        |
| Export Education Grant (EEG).....  | 37        |
| International Market Access Grant.....   | 37        |
| Center for Technology Commercialization - CTC Micro-grants.....  | 38        |
| The Innovation Foundation of Western Wisconsin.....  | 38        |
| <b>WHEDA PROGRAMS</b>  |           |
| <b>Guarantee Programs:</b> Loan guarantees targeted to specific types of economic development projects.....      | 39        |
| WHEDA Small Business Guarantee (WSBG).....   | 39        |
| Contractors Loan Guarantee (CLG).....  | 39        |
| WHEDA Propane Guarantee Program (PGP) .....  | 40        |
| Neighborhood Business Revitalization Guarantee (NBRG) .....  | 40        |
| Agribusiness Guarantee .....   | 40        |
| WHEDA Participation Lending Program (WPLP).....  | 41        |
| Wisconsin Equity Investment Fund .....   | 41        |
| New Markets Tax Credit (NMTC) Program .....  | 41        |
| <b>TOUCHSTONE ENERGY COOPERATIVE/DAIRYLAND POWER SYSTEM ECONOMIC DEVELOPMENT LOAN PROGRAM .....</b>              | <b>42</b> |
| <b>USDA RURAL ECONOMIC DEVELOPMENT LOAN PROGRAM (TOUCHSTONE ENERGY COOPERATIVE/DAIRYLAND POWER SYSTEM) .....</b> | <b>42</b> |
| <b>TRANSPORTATION ECONOMIC ASSISTANCE (TEA) .....</b>  | <b>43</b> |
| <b>TAX CREDITS - INTERNAL REVENUE SERVICE (IRS)</b>  |           |

|  |           |
|--|-----------|
| Small Business Health Care Tax Credit.....   | 44        |
| Work Opportunity Tax Credit (WOTC) (incorporates the previous Welfare-to-Work Tax Credit).....                               | 44        |
| <b>TAX CREDITS - US DEPARTMENT OF ENERGY</b>   |           |
| Fuel Cell Motor Vehicle Tax Credit .....   | 45        |
| Hydrogen Fuel Excise Tax Credit .....  | 45        |
| Hydrogen Fuel Infrastructure Tax Credit.....   | 45        |
| Hydrogen Fuel Mixture Excise Tax Credit.....   | 45        |
| <b>THE FEDERAL HISTORIC PRESERVATION TAX CREDIT PROGRAM .....</b>  | <b>45</b> |
| <b>TAX CREDITS - WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP)</b>                              |           |
| Beginning Farmer and Farm Asset Owner Tax Credit Program – <i>Ongoing</i> .....  | 46        |
| Woody Biomass Harvesting & Processing Investment Credit.....   | 46        |
| <b>TAX CREDITS - WISCONSIN ECONOMIC DEVELOPMENT CORPORATION</b>  |           |
| Jobs Tax Credit.....   | 47        |
| Enterprise Zone Tax Credit.....  | 47        |
| Economic Development Tax Credits (ETC) .....   | 47        |
| Wisconsin Qualified New Business Venture (QNBV) Tax Credit Program .....   | 47        |
| <b>WISCONSIN DEPARTMENT OF REVENUE</b>   |           |
| Computer Equipment Exemption .....   | 48        |
| Deferral and Exclusion of Long-Term Capital Gains for Investments in Wisconsin Businesses on and After January 1, 2014 ..... | 48        |
| Exemption for Fuel and Electricity Consumed in Manufacturing.....  | 48        |
| Farmland Preservation Credit .....   | 48        |
| Job Creation Deduction Credit .....  | 48        |
| Property Tax Exemption for Manufacturing Machinery and Equipment.....  | 48        |
| Waste Treatment Exemption .....  | 48        |
| Wisconsin Manufacturing and Agriculture Credit .....   | 48        |
| Wisconsin Research Expense Credits .....   | 49        |
| <b>CREDITS - WISCONSIN STATE ENERGY OFFICE</b>   |           |
| Renewable Fuel Infrastructure Tax Credit .....   | 49        |
| Biodiesel Fuel Production Credit .....   | 49        |
| Renewable Energy Sales Tax Exemption.....  | 49        |
| Vehicle Battery and Engine Research Tax Credits .....  | 49        |
| <b>Municipal Rebate Program</b>  |           |
| River Falls Municipal Utilities (RFMU) - Business Energy Efficiency Rebate Program .....                                     | 49        |



## **Introduction**

The Mississippi River Region's high quality education institutions, healthcare system, high quality natural resource base and outstanding recreation opportunities are unique quality of place characteristics that help attract and retain businesses. The region's agriculture, manufacturing and business service sectors all benefit from these quality of life assets. Another often over looked or insufficient business development asset is having the right quantity and quality of financing capital. From funding start-ups or expansions to meeting business refinancing needs, having the right amount of capital at the right time to retain or grow a business is important both for business success and economic development. The terms and conditions of capital needed by a business often cannot be provided by conventional bank financing. To fill this need dozens of financing programs have been created over the years at the local, state and federal levels. Today there are so many programs available that keeping apprised of them all can be a major challenge to say the least. Businesses may miss out on growth opportunities because many programs are not marketed; meaning missed economic development opportunities for the region. This Financing Guide is an attempt to diminish these missed opportunities. Within this Guide we have gathered important information on the less well known to the most prominent and useful business funding programs, so businesses, lenders, economic development professionals and local officials have ready access to key facts and contacts. The Guide also provides information on how the funding programs can be used together, since many business projects involve more than one financing program.

## **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 many 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 a more positive 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.

## **Federal and State Grants, Loan Programs, and Disaster Assistance**

Various federal and state agencies provide assistance to business and industry through low interest financing, guaranteed loans, micro-loans, training grants, brownfield remediation assistance, investment funds, technical assistance and disaster assistance. The section of this document entitled Federal and State Grants, Loan Programs, and Disaster Assistance provides information on the programs available.

### 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 reduce 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.

### Financing Guide Organization, Inventory and Matrix

The rest of this document is organized 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 programs and state and federal tax credits available to businesses. Most of the tax credits 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 form for quick reference.



## CITY AND VILLAGE REVOLVING LOAN FUNDS IN THE MISSISSIPPI RIVER REGION

### 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 City 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  
or Adam D. Sonntag, City Administrator, City of Hillsboro; (608)489-2350; admin@hillsborowi.com

### Hillsboro Community Development Authority (HCDA) Facade Improvement Program

**Loan Purpose:** to assist a new or existing business located within the commercial district of the City of Hillsboro with the upgrade and renewal of the exterior facades, signs and architectural features of existing commercial buildings.

**Typical Terms:**

- a. If the business remains in operation at the business location for at least five (5) years from the date of incentive approval, the loan shall be forgiven in full.
- b. If the business remains in operation at the business location for at least two (2) years from the date of incentive approval, one-half (1/2) of the loan balance shall be forgiven and the remaining one-half (1/2) of the loan balance shall be repaid by the business owner. The repayment shall be paid in monthly installments amortized over ten (10) years, with the first payment due thirty (30) days after the business closes.
- c. If the business remains in operation at the business location for less than two (2) years from the date of incentive approval, the loan shall be paid back in full by the business owner. All of the loan balance shall be repaid in monthly installments amortized over ten (10) years, with the first payment due thirty (30) days after the business closes.
- d. The interest rate for the loans awarded under this program shall be zero percent (0%).
- e. No interest shall accrue on the loan balance due from time to time before and during the repayment period, except that if the business owner shall fail to make any monthly payment within thirty (30) days of its due date, the entire loan balance shall immediately begin to accrue interest at a rate of twelve percent (12%) per annum and shall continue to accrue interest at that rate until paid in full.
- f. Further terms and conditions of the loan may be detailed in a formal Agreement signed by both the CDA and business owner.

**Service Area:** Within Commercial District (C1) in corporate limits of City of Hillsboro.

## Mississippi River Regional Planning Commission Business Financing Guide

### Key Limitations or Requirements:

- Any new or existing commercial business that has identified its current building as in need of repair, dilapidated, non-conforming to design standards in the district, outdated, blighted, or any other satisfactory justification for the award.
- The applicant must submit a project plan detailing the improvements to the building
- All proposed façade improvements must adhere to the rules and regulations set forth in the Code of Ordinances
- All proposed façade improvements must conform to the specific standards detailed in the Downtown Business Design Standards Plan.

**Funds Available:** Maximum Loan Award \$10,000.

**Contact Information:** Adam D. Sonntag, City Administrator, City of Hillsboro; (608)489-2350; admin@hillsborowi.com

### Hillsboro Economic Development Incentive Program

**Loan Purpose:** is to provide assistance to a new business to locate within the commercial district in the City of Hillsboro to enhance the overall business environment and vibrancy of the district.

### Typical Terms:

- a. If the business remains in operation at the business location for at least five (5) years from the date of incentive approval, the loan shall be forgiven in full.
- b. If the business remains in operation at the business location for at least two (2) years from the date of incentive approval, one-half (1/2) of the loan balance shall be forgiven and the remaining one-half (1/2) of the loan balance shall be repaid by the business owner. The repayment shall be paid in monthly installments amortized over ten (10) years, with the first payment due thirty (30) days after the business closes.
- c. If the business remains in operation at the business location for less than two (2) years from the date of incentive approval, the loan shall be paid back in full by the business owner. All of the loan balance shall be repaid in monthly installments amortized over ten (10) years, with the first payment due thirty (30) days after the business closes.
- d. The interest rate for the loans awarded under this program shall be zero percent (0%).
- e. No interest shall accrue on the loan balance due from time to time before and during the repayment period, except that if the business owner shall fail to make any monthly payment within thirty (30) days of its due date, the entire loan balance shall immediately begin to accrue interest at a rate of twelve percent (12%) per annum and shall continue to accrue interest at that rate until paid in full.
- f. Further terms and conditions of the loan may be detailed in a formal Agreement signed by both the CDA and business owner.

**Service Area:** Within Commercial District (C1) in corporate limits of City of Hillsboro.

### Key Limitations or Requirements:

- Allowable expenses shall include, but are not limited to, labor and material costs for the improvement of the building facade and interior; purchase or rental of fixtures, equipment, or supplies; and purchase of inventory.
- Any commercial business, compliant with the rules and regulations as described in the Zoning Code, is eligible for the program.
- All proposed façade improvements must conform to the specific standards detailed in the Downtown Business Design Standards Plan.

**Funds Available:** up to a \$10,000.00 loan to assist in the payment of start-up expenses for the new business

**Contact Information:** Adam D. Sonntag, City Administrator, City of Hillsboro; (608)489-2350; admin@hillsborowi.com

Village of Kendall

**Loan Purpose:** to encourage creation and retention of permanent jobs and to maintain a positive business climate 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

### 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 La Crosse Small Scale Business Assistance Programs

#### Upper Floor Renovation Loan (UFRL) Program

**Loan Purpose:** To encourage long-term economic growth in the Central Business District. UFRL encourages investment in the City's Central Business District to develop underutilized upper floors. Funds may be used for interior renovations, elevators and other related enhancements to make these floors economically viable.

**Typical Terms:** Interest rate will not exceed the rate the City pays for the borrowed funds. Term of loan is 5 to 10 years.

**Service Area:** The boundaries of the Central Business District are the Mississippi River, the La Crosse River, 8th Street, and Cameron Avenue.

**Key Limitations or Requirements:**

- Loans may be taken for up to 50% of the total project cost pending availability of funds and public benefit from the project. Maximum loan limit is \$50,000.
- Each project will require a minimum of 10% owner equity.
- projects should commence within six months from the date of loan approval.

**Architectural & Engineering Analysis (A&E) Program**

**Loan Purpose:** The program's purpose is to provide funding for building owners to assess a building's structural and mechanical conditions and any building code issues.

**Typical Terms:** Applicant hires an architect to conduct the A&E Analysis, and the City pays 80% of the cost of the study.

**Key Limitations or Requirements:**

- This program is a prerequisite for participating in other publicly funded programs.
- A Pro Forma is also required as part of the project.

**Contact Information:** Amy Peterson, Planning & Economic Development Administrator, City of La Crosse; Phone: (608) 789-7363; [peterona@cityoflacrosse.org](mailto:peterona@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; mondovi@nelson-tel.net

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; cityclerk@cityofosseo.us

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:** Todd Fahning- Community Development, City of Sparta; (608) 269-4340 Ext. 232; [bldg@spartawisconsin.org](mailto:bldg@spartawisconsin.org)



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 Revolving Loan Fund (i.e., the 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](mailto: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:** John Severson, City Administrator; 608-637-3251 x18; cityadmin@mwt.net

City of Whitehall Community Development Fund

**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:** Tina Sass, City Administrator; 715-538-4353; [tsass@wppienergy.org](mailto:tsass@wppienergy.org)

## COUNTY REVOLVING LOAN FUNDS IN THE MISSISSIPPI RIVER REGION

### 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](mailto:carl.duley@buffalocounty.com)

## 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](mailto: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](mailto:greg@mrrpc.com) or Brian Fukuda, Community Development Specialist, La Crosse County; 608.785.5792 [fukuda.brian@co.la-crosse.wi.us](mailto:fukuda.brian@co.la-crosse.wi.us)

## 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 Monroe County Revolving Loan 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 in 1998 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- 8707; [tosterberg@co.monroe.wi.us](mailto:tosterberg@co.monroe.wi.us)
- Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396; [bryan@mrrpc.com](mailto: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:** Jacki Drier, Economic Development Coordinator, Pepin County Development Office; 715-672-8897; jdrier@co.pepin.wi.us



## 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](mailto:rhoff@vernoncounty.org)

## **REGIONAL – MULTI COUNTY REVOLVING LOAN FUNDS IN THE MISSISSIPPI RIVER REGION**

### Business Capital Fund

**Loan Purpose:** gap financing; especially to encourage manufacturing

**Typical Terms:**

- low-interest (4% in 2009-2013)
- 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:** 59 total loans; \$3,433,629 loaned; \$31,940,573 in private-sector funding leveraged; 480.5 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:** Andrew Londre, Job and Business Developer; Coulee Cap, Inc., 2101 Victory Street, Suite C, La Crosse, WI 54601; T: 608-782-5525; E: [andrew.londre@couleecap.org](mailto:andrew.londre@couleecap.org)

CMV Growth Development Fund

**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:** 6 total loans; \$250,000 loaned; \$1,662,849 in private-sector funding leveraged; 29 jobs created or saved

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

Impact Seven – Greater Wisconsin Fund

**Loan Purpose:** Assist growing companies to start-up or expand in Wisconsin communities.

**Typical Terms:** Competitive, often below-market. Rate is determined on a case-by-case basis. Lower rates available for high impact projects. 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 (general goal is \$20,000 per job created) . The major criteria for this program are quality of business plan, financial history/economic viability of business, job creation, and collateral.

**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:** 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/>

**REGIONAL BUSINESS FUND, INC., (RBF, INC.)**

**Revolving Loan Fund (RLF)**

**Loan Purpose:** The Revolving Loan Fund (RLF) is a flexible source of loan funds for commercial and industrial projects. The purpose is to encourage the creation of quality jobs and to increase the tax base.

**Typical Terms:**

- Loan size of \$25,000+.
- 4% fixed interest rate.
- Deferrals of principal & interest or principal payments may be allowed.
- Repayment terms can be up to five years for working capital, seven to ten years for machinery and equipment, and ten years for real estate.
- Collateral is required.
- Unlimited personal guarantees are required for any owner with greater than 20% ownership interest in the business.

**Service Area:** Be located in, or propose to locate in, West Central Wisconsin (Counties of: Barron, Chippewa, Clark, Dunn, Eau Claire, **Pierce**, Polk, and St. Croix). Not all communities within these counties are participating.

**Key Limitations or Requirements:**

- Create and/or retain jobs.
- Demonstrate ability to repay the loan.
- Eligible activities include: acquisition of equipment, machinery furniture and fixtures; new working capital; site improvements; land and building acquisition; new building construction or building renovation.

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

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.

**Contact Information:**

Local Economic Development Corporation or West Central RPC; 715-836-2918; Beth Waldhart – [bwaldhart@wcrpc.org](mailto:bwaldhart@wcrpc.org); Levi Wagner – [lwagner@wcrpc.org](mailto:lwagner@wcrpc.org)

**Regional Business Fund Inc., Downtown Facade Loan Fund**

**Loan Purpose:** The Downtown Facade Loan Program provides financial assistance to encourage property and business owners in core downtowns to revitalize downtown commercial buildings within the towns, cities, and villages of West Central Wisconsin.

**Design Requirements:** Applicants must provide acceptable facade design plans that comply with approved general design guidelines adopted by local governments.

**Typical Terms:**

- Loan size can range from \$5,000 to \$30,000.
- 0% fixed interest rate.
- Repayment terms up to 15 years.
- All loans shall be secured by a mortgage on the property being renovated.
- Unlimited personal guarantees are required for any owner with greater than 20% ownership interest in the business.

**Service Area:** Be located in, or propose to locate in, West Central Wisconsin (Counties of: Barron, Chippewa, Clark, Dunn, Eau Claire, **Pierce**, Polk, and St. Croix). Not all communities within these counties are participating.

**Key Limitations or Requirements:**

- Be located within designated downtown boundaries of eligible towns, villages, and cities
- Demonstrate ability to repay the loan.
- Property taxes must be kept current.
- Provide acceptable design plans for building renovation.
- Eligible activities include: facade renovation; exterior lighting, doors, and graphics; signage, windows, and awnings; other facade or landscape improvements.

**Contact Information:**

Local Economic Development Corporation or West Central RPC; 715-836-2918; Jennifer Ludwig – [jludwig@wcvrpc.org](mailto:jludwig@wcvrpc.org)

**Regional Business Fund Inc., Micro Loan Fund**

**Loan Purpose:** The Micro Loan Fund Program provides small loans to startup, newly established, or growing small businesses with a key objective of assisting business owners, who have traditionally had difficulty accessing debt financing, by affording them another alternative to obtain credit.

**Typical Terms:**

- Loan size can range from \$5,000 to \$25,000.
- 4% fixed interest rate.
- Repayment terms up to ten years, with the exception of working capital loans which have a maximum term of three years.
- Collateral is required.
- Unlimited personal guarantees are required for any owner with greater than 20% ownership interest in the business.

**Service Area:** Be located in, or propose to locate in, West Central Wisconsin (Counties of: Barron, Chippewa, Clark, Dunn, Eau Claire, **Pierce**, Polk, and St. Croix). Not all communities within these counties are participating.

**Key Limitations or Requirements:**

- Have annual sales less than \$1 million AND have 25 or fewer employees.
- Business plan required.
- Demonstrate ability to repay the loan.
- Eligible activities include: new working capital; inventory purchases and supplies; acquisition of equipment, machinery, furniture and fixtures; leasehold improvements; building renovation and rehabilitation; real estate acquisition; natural disaster recovery.

**Contact Information:**

Local Economic Development Corporation or West Central RPC; 715-836-2918; Beth Waldhart – [bwaldhart@wcvrpc.org](mailto:bwaldhart@wcvrpc.org); Levi Wagner – [lwagner@wcvrpc.org](mailto:lwagner@wcvrpc.org)

## Mississippi River Regional Planning Commission Business Financing Guide

### Regional Business Fund Inc., Technology Enterprise Fund

**Loan Purpose:** The Technology Enterprise Fund (TEF) is a "quasi-equity", or a patient debt, revolving loan fund that provides creative financing to new and emerging technology companies.

**Eligible Technologies:** Any business engaged in the activities of research, development or manufacture of advanced products or materials for use in the technology industry.

#### **Typical Terms:**

- Loans sizes are in the \$10,000 to \$100,000 range.
- A minimum of one job created for every \$10,000 borrowed.
- A minimum of \$2.00 of private investment must be obtained for every \$1.00 of public monies invested.
- 4% fixed interest rate.
- Deferrals of principal & interest or principal payments may be allowed.
- Repayment terms vary based on use of funds, but generally are no more than seven years.
- Collateral is required.
- Unlimited personal guarantees are required for any owner with 20% or more ownership interest in the business.

**Service Area:** Be located in, or propose to locate in, West Central Wisconsin (Counties of: Barron, Chippewa, Clark, Dunn, Eau Claire, **Pierce**, Polk, and St. Croix). Not all communities within these counties are participating.

#### **Key Limitations or Requirements:**

- Be a technology specific business either processing and/or developing patentable technology or intellectual property.
- Have fewer than 100 FTE employees
- Raise at least a dollar-for-dollar (1:1) amount of private capital. Prior investments in the form of in-kind support and/or equipment contributions may qualify as private match.
- Eligible activities include: working capital used in the research and development, testing, and/or commercialization of a product, process or service; equipment and other fixed asset purchases that are essential in the research and development of an innovative technology.

#### **Contact Information:**

Local Economic Development Corporation or West Central RPC; 715-836-2918; Beth Waldhart – [bwaldhart@wcvrpc.org](mailto:bwaldhart@wcvrpc.org);  
Levi Wagner – [lwagner@wcvrpc.org](mailto:lwagner@wcvrpc.org)



## **SMALL BUSINESS ADMINISTRATION (SBA) PROGRAMS**

### **General Small Business Loans: 7(a)**

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 and 75 percent on loans of more than \$150,000. Loans can be made for higher amounts, however, the maximum 7(a) loan amount is \$5 million and there is no minimum. SBA's maximum exposure amount is \$3,750,000. Thus, if a business receives an SBA-guaranteed loan for \$5 million, the maximum guarantee to the lender will be \$3,750,000 or 75%. SBA Express loans have a maximum guarantee set at 50 percent.

### **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). The spread on loans under \$50,000 and loans processed through Express have higher maximums.

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.

Loans guaranteed by the SBA area assessed a guarantee fee based on the loans maturity and the dollar amount granted. The guarantee fee is initially paid by the lender and then passed on to the borrower at closing. For loans approved in FY2014, both the upfront guaranty fee and monthly ongoing servicing fee will be zero. For loans approved in FY2014 of \$150,001 or more the monthly ongoing servicing fee has been reduced.

**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 \$2 million and \$35.5 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). There is an alternate size standard for businesses that do not qualify under their industry size standards for SBA funding – tangible net worth (\$15 million or less) and average net income (\$5 million or less for two years). This new alternate applies to SBA non-disaster loan programs. 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

## Mississippi River Regional Planning Commission Business Financing Guide

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.

### **CAPLines**

**Policies:** The CAPLines program is designed to help small businesses meet their short-term and cyclical working capital need. This program can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit that have specific requirements for repayment. There are four programs under the CAPLine umbrella: 1) The Loan Contract Program finances costs associated with contracts, subcontract or purchase orders; 2) The Seasonal Line of Credit Program supports buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory; 3) The Builders Line Program provides financing for small contractors/developers to construct or rehabilitate residential or commercial property; and 4) the Working Capital Line Program is a revolving line of credit (up to 5 million) that provides short term working capital.

**Procedures:** As with the 7(a) program as a whole for loans less than or equal to \$150,000, the SBA will guarantee up to 85% of the loan and 75 percent on loans of more than \$150,000. The maximum loan/line of credit amount is \$5 million.

## SBA Export Loan Programs

### International Trade Loan Program (ITL)

**Policies:** ITL offers term loans to businesses that plan to start or continue exporting or that have been adversely affected by competition from imports.

**Procedures:** The loan must enable the borrower to be in a better position to compete. The program provides a 90% guaranty on loan amounts up to \$5 million.

### Export Working Capital Program (EWCP)

**Policies:** The purpose is to help exporters seeking short-term working capital. Exporters can apply for EWCP loans in advance of finalizing an export sale or contract.

**Procedures:** Applicants generally must meet the same eligibility requirements as for the SBA's standard 7(a) Loan Program. Transaction collateral is typically adequate to secure a EWCP loan. Maximum loan amount is \$5 million with maximum SBA guaranty of 90%.

### SBA Export Express

**Policies:** SBA Export Express allows lenders and exporters a streamlined method for obtaining SBA financing for loans and lines of credit up to \$500,000. Loan proceeds can be used for businesses purposes that will enhance a company's export development.

**Procedures:** The maximum SBA guaranty is 90% for loans of \$350,000 or less; 75% guaranty for loans greater than \$350,000.

### U.S. Export Assistance Center (USEAC)

The Assistance Center is not a loan program but can provide technical assistance to entrepreneurs interested in learning about exporting their goods and services. To find the nearest USEAC, visit: [www.sba.gov/content/us-export-assistance-centers](http://www.sba.gov/content/us-export-assistance-centers).

### 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.

As of March 1, 2014, no counties in Wisconsin were eligible for the CAIP program.

### Microloan Program

**Policies:** small loans (under \$500 to \$50,000 (average microloan is about \$13,000); short terms (maximum is 6 years), interest rates are negotiated between the borrower and the intermediary generally between 8 and 13 percent; 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.

### **Community Advantage (CA)**

**Policies:** CA, a new pilot loan program was introduced by (SBA) to meet the credit, management, and technical assistance needs of small businesses in underserved markets. The program was designed to provide mission-oriented lenders, primarily nonprofit financial intermediaries focused on economic development, access to 7(a) loan guaranties for loans.

**Procedures:** The basic terms of CA loans are the same as SBA's standard 7(a) loans with some differences: Maximum loan size is \$250,000; Maximum Interest Rate is Prime + 6%; Revolving lines are not allowed; and Loan Loss Reserve Requirements are a minimum of 5% of the unguaranteed portion of the CA lender's CA loan portfolio and a minimum of 3% of the guaranteed portion of each CA loan sold into the secondary market.

### **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.

### **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 \$5 million and the SBA will guarantee up to 85% of loans.

### **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:** This program follows the guidelines for the 7(a) Loan Program with the following exception: use of proceeds must be for fixed assets only.

## **Other Special Purpose Programs**

### **SBAExpress**

**Policies:** The SBAExpress allows lenders to obtain a guaranty on smaller loans up to \$350,000. It allows experienced lenders to process, structure, service and disburse SBA guaranteed loans.

**Procedures:** The SBA guarantees up to 50% of a SBA Express loan. Loans under \$25,000 do not require collateral.

**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 \$15 million, net profit after taxes below \$5 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: \$5 million for businesses that create a certain number of jobs or improve the local economy; \$5 million for businesses that further certain public policy goals, such as veterans' benefits; \$5.5 million for manufacturers and energy public policy projects. Recent additions are: 1) \$5.5 million is allowed for projects that reduces the borrowers energy consumption by at least 10%; and 2) \$5.5 million for each project that generates renewable energy fuels, such as biofuel or ethanol production. Projects eligible under one of these two requirements do not have to meet job creation or retention requirements so long as CDC portfolio average is at least \$65,000. 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.

### **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.  
<http://www.sba.gov/content/understanding-hubzone-program>

## **FEDERAL AND STATE GRANTS, LOAN PROGRAMS, AND DISASTER ASSISTANCE**

### **USDA PROGRAMS**

#### **USDA Rural Business Loans – Business and Industry (B&I) Guaranteed Loan Program**

**Policies:** The B&I Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities by bolstering the existing private credit structure through the guarantee of quality loans.

**Procedures:** Loans are generally available in rural areas, which include all areas other than cities or towns of more than 50,000 people and the contiguous and adjacent urbanized area of such cities or towns. Maximum percentage of guarantee is 80 percent for loans of \$5 million or less, 70 percent for loans between \$5 and \$10 million, and 60 percent for loans exceeding \$10 million. The borrower must provide employment; improve the economic or environmental climate; promote the conservation, development, and use of water for aquaculture; or reduce reliance on nonrenewable energy resources. The maximum payment on loans for real estate will not exceed 30 years; Working capital loans, maximum term of 7 years; and Machinery, fixtures, equipment loans; useful life or maximum term of 10 years.

#### **USDA – Farm Service Agency, Farm Storage Facility Loan Program**

**Policies:** The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Farm Storage Facility Loan Program (FSFL) provides low-interest financing for producers to build or upgrade farm storage and handling facilities.

**Procedures:** The maximum loan amount through the Farm Storage Facility Loan Program is \$500,000 per loan. A 15 percent cash down payment is required. The down payment cannot include any trade-in, discount, rebate, deferred payment or post-dated check. Loan terms available are seven (7) years, ten (10) years or twelve (12) years depending on the amount of the loan. Interest rate is fixed for the loan term based on the rate in effect during the month the loan is initially approved. Loans are to be repaid in equal amortized installments.

Loan will not be disbursed until the facility has been erected and inspected with the exception of one (1) qualifying partial disbursement.

#### **USDA Farm Service Agency – Microloan Program**

**Policies:** Micro-loans provide assistance for the financial operating needs of beginning, niche and small family farm operations by offering flexible access to credit. Microloans can be used for all approved operating expenses as authorized by the FSA Operating Loan Program.

**Procedures:** Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. Interest rates are based on the regular OL rates that are in effect at the time of the microloan approval or microloan closing, whichever is less.

**USDA Rural Economic Development Loan and Grant (REDLG) Program**

**Policies:** The REDLG program provides funding to rural projects through local utility organizations. The USDA provides zero interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. When the revolving loan fund is terminated, the grant is repaid to the Agency

**Procedures:** REDLG grantees and borrowers pass the funding on to eligible projects that could include: Capitalization of revolving loan funds; Business Incubators; Community Development Assistance to non-profits and public bodies (particularly job creation or enhancement); Facilities and equipment for education and training for rural residents to facilitate economic development; Facilities and equipment for medical care to rural resident; and Telecommunications/computer networks for distance learning or long distance medical care.

**USDA Disaster Assistance - Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)**

The ELAP Program provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, not covered by LFP and LIP. Total payments are capped at \$20 million in a fiscal year.

**USDA Disaster Assistance - Livestock Forage Disaster Program**

The 2014 Farm Bill made the Livestock Forage Disaster Program (LFP) a permanent program and provides retroactive authority to cover eligible losses back to Oct. 1, 2011. LFP provides compensation to eligible livestock producers who have suffered grazing losses due to drought or fire. Sign-up will begin on or before April 15, 2014, at any local Farm Service Agency. Counties eligible for LFP assistance can be found at [fsa.usda.gov](http://fsa.usda.gov).

**USDA Disaster Assistance – Livestock Indemnity Payments (LIP)**

The 2014 Farm Bill makes the Livestock Indemnity Payments (LIP) a permanent program and provides retroactive authority to cover eligible livestock losses back to Oct. 1, 2011. LIP provides compensation to eligible livestock producers who have suffered livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law, including wolves and avian predators. Sign-up began on April 15th, 2014, at local Farm Service Agency (FSA) service centers.

**USDA Disaster Assistance - Tree Assistance Program (TAP)**

TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters.

**US Department of Energy (DOE) – Loan Programs -1703 Eligibility - <http://lpo.energy.gov/>**

**Purpose:** The Section 1703 Loan Program authorizes loan guarantees made to support innovative clean energy technologies that are typically unable to obtain conventional private financing due to high technology risks.

**Policies:** Technologies considered include: Biomass, Hydrogen, Solar, Wind and hydropower, Nuclear, Advanced fossil energy coal, Carbon sequestration practices/technologies, Electricity delivery and energy reliability, Alternative fuel vehicles, Industrial energy efficiency projects; and Pollution control equipment.



**PROVISIONS OF 2014 FARM BILL**

**The Rural Energy for America Program (REAP)** provides grants, guaranteed loans, and combined grants and guaranteed loans for the development and construction of renewable energy systems and for energy efficiency improvement projects. The program is designed to help agricultural producers and rural small businesses reduce energy costs and consumption and help meet the Nation’s critical energy needs.

For consideration for Fiscal Year 2014 funds, complete applications must be received by: the appropriate USDA Rural Development State office by:

- a. For renewable energy system and energy efficiency improvement grant applications and combination grant and guaranteed loan applications: July 7, 2014.
- b. For renewable energy system and energy efficiency improvement guaranteed loan only applications: July 31, 2014.

Information on how to apply for REAP funding and on the application deadlines (which vary by project type) is available on page 25564 of the May 5, 2014 Federal Register.

**The Biomass Crop Assistance Program (BCAP)** is designed to assist with production of sustainable, non-food crops for energy that also provide other benefits for soil conservation and water quality.

**The Repowering Assistance Program** provides incentives for biofuel producers to replace fossil fuel-powered systems with biomass systems.

Below is a summary of select energy title programs obtained from FarmEnergy.org, <http://farmenergy.org/farm-bill-policy/farm-energy-legislation/quick-summary-of-energy-title-programs>. All amounts in millions of dollars.

| Section Number/Name                     | Summary  | 5 year Mandatory Funding | 5 year Discretionary Funding |
|---|--|--------------------------|------------------------------|
| Biobased Markets Program                | Continues the federal preference for procurement of biobased products and the biobased products labeling program.  | \$15                     | \$10                         |
| Biorefinery Assistance                  | Loan guarantees to produce advanced biofuels.  | \$200                    | \$375                        |
| Repowering Assistance Program           | Encourage existing biorefineries to use biomass for heat and power.  | \$12                     | \$50                         |
| Bioenergy Program for Advanced Biofuels | Rewards production of advanced biofuels.   | \$75                     | \$100                        |
| Rural Energy for America Program        | Grants and loan guarantees for energy efficiency and renewable energy of all sorts. Formerly "Section 9006". Now includes support for feasibility studies and energy technical assistance. | \$250                    | \$100                        |
| Biomass Research & Develop.             | Supports advanced research to improve bioenergy.   | \$12                     | \$100                        |
| Biomass Crop Assistance Prg             | Assistance to stimulate energy crop plantings.   | \$125                    | \$0                          |
| Community Wood Energy Prg               | Grants for rural communities to install wood energy systems in community facilities.   | \$0                      | \$25                         |

**Mandatory funding** — “the amount authorized by Congress is available unless limited to smaller amounts in the appropriations process; if appropriators do not act, the amount that was authorized is provided to the program.”

**Discretionary funding** – Programs that require annual funding determined by the Appropriations Committee

**SSAN** — Such Sums as Necessary; Mandatory funding, amount not specified.

**WISCONSIN ECONOMIC DEVELOPMENT CORPORATION LOANS, GRANTS & PROGRAMS:**

**Brownfield Program -**

**Purpose:** The State's Brownfield Program provides grant funds to assist local governments, businesses and individuals with assessing and remediating the environmental contamination of an abandoned, idle or underused industrial or commercial facility or site to help convert contaminated sites into useable sites. Brownfield Program funds may be used for brownfield redevelopment or associated environmental remediation activities on sites with demonstrated soil and/or groundwater contamination.

**Policies:** Phase I and Phase II Environmental Reports must be completed prior to seeking Brownfield Program funding and Grants require at least a 70 percent match of the eligible project expenditures.

**Contact Information Region 4** (Buffalo, Crawford, Grant, Green, Iowa, Jackson, La Crosse, Lafayette, Monroe, Pepin, Pierce, Richland, Trempealeau, Vernon counties): Jennifer Kuderer, 608.210.6820.

**Business Opportunity Loan**

**Purpose:** to provide assistance in business expansion and relocation.

**Policies:** For a business to apply for a business opportunity loan the business must create new full-time positions and/or retain its existing full-time employment base in the state. Acceptable uses of loans funds include: Working capital, equipment, training, building construction and improvements, land acquisition, private infrastructure improvements, and asset acquisition. Loan requests under \$200,000 will be referred to the appropriate local or regional revolving loan fund first.

**Contact Information Region 4** (Buffalo, Crawford, Grant, Green, Iowa, Jackson, La Crosse, Lafayette, Monroe, Pepin, Pierce, Richland, Trempealeau, Vernon counties): Jennifer Kuderer, 608.210.6820.

**Impact Loans**

**Purpose:** to assist businesses with expansion projects that will have a significant impact on job creation, job retention, capital investment and on the surrounding community may be eligible for WEDC's Impact Loan Program—a forgivable loan program.

**Policies:** Businesses must create new full-time positions and/or retain their existing full-time employment base in the State to qualify. Loan requests under \$200,000 will be referred to the appropriate local or regional revolving loan fund first. Targeted industries are advanced manufacturing, Food and beverage processing, Printing, Aerospace, and Research & Development.

**Contact Information Region 4** (Buffalo, Crawford, Grant, Green, Iowa, Jackson, La Crosse, Lafayette, Monroe, Pepin, Pierce, Richland, Trempealeau, Vernon counties): Jennifer Kuderer, 608.210.6820.

### **Training Grants**

**Purpose:** Wisconsin provides Training Grants to assist businesses in workforce retention and expansion into new markets and technology by providing grant funds to businesses to upgrade or improve the job-related skills of its full-time employees.

**Policies:** Any business making a firm commitment to locate a new facility in Wisconsin or expand an existing facility within the state, and is upgrading a product, process or service that requires training in new technology and industrial skills, may be eligible for a Training Grant.

**Contact Information Region 4** (Buffalo, Crawford, Grant, Green, Iowa, Jackson, La Crosse, Lafayette, Monroe, Pepin, Pierce, Richland, Trempealeau, Vernon counties): Jennifer Kuderer, 608.210.6820.

### **Technology Development Loans - Flexible Lending Options for New Technology Development**

**Purpose:** to offer lending options targeting the critical stages of new business development. The loan funds are tailored to help innovative companies with promising economic futures clear the hurdles associated with bringing new technologies, products and concepts to market.

**Policies:** Financing is generally limited to 25 percent or less of an identified project or funding cycle. WEDC may require the balance of funding to be committed and/or available prior to loan closing. Companies receiving WEDC loans may be required to produce goods in Wisconsin and/or maintain operations in the state for a period of time. Loan term will typically range from 5–7 years and will not have a term of more than 10 years. Deferral periods or interest-only payments may be granted. Loan limits for stage of development are: Product/Process Development – up to \$250,000; Product Launch/Commercialization – up to \$500,000 and growth/expansion – variable.

**Contact Information:** Aaron Hagar, 608.210.6825.

### **Global Business Development Program**

The Wisconsin Economic Development Corporation (WEDC) offers assistance in accessing new international markets through Export Education Grants and International Market Access Grants. The Export Education Grants and International Market Access Grants help companies lay the foundation for a new export strategy or build upon existing export programs. Contact: Monica Wahlberg, WEDC Int'l Grants Manager, 608.210.6734

#### **Export Education Grant (EEG)**

**Purpose:** This program is designed to help companies develop the internal competence to enter and expand into global markets. Eligible activities are Wisconsin Economic Development Corporation (WEDC) approved export seminars, certification programs, conferences, and classes.

**Policies:** The grant covers up to \$3,000 in assistance per fiscal year (July 1-June 30).

**Contact:** Monica Wahlberg, WEDC Int'l Grants Manager, 608.210.6734

#### **International Market Access Grant**

**Purpose:** This program provides assistance to access and/or develop new international markets.

**Policies:** Wisconsin companies that have made some successful export sales can be reimbursed for specific expenses associated with executing their new and/or expanded international market access strategy. Under this component, a Wisconsin company can receive up to \$10,000 per fiscal year (July 1-June 30).

**Contact:** Monica Wahlberg, WEDC Int'l Grants Manager, 608.210.6734

Center for Technology Commercialization - CTC Micro-grants

**Purpose:** To assist starting or expanding technology-based or research oriented businesses or firms located in Wisconsin that rely on use of technology. The Center for Technology Commercialization (CTC), housed in the University of Wisconsin-Extension, assists Wisconsin technology-based small businesses in their efforts to obtain R&D funding necessary to advance the commercialization of their technologies.

**Policies:** Eligible companies can apply for a micro-grants up to \$4,000 per micro grant (up to \$8000 total) per company (applicant must provide at least a 25% cash match per each micro-grant). Eligible Projects: 1) Development of an SBIR/STTR Phase I or Phase II proposal or other federal funding proposal; 2) Development of an SBIR/STTR Phase II Commercialization Plan or a comprehensive business plan; 3) Procurement of a CTC-approved market research study in support of a commercialization or business plan.

The Innovation Foundation of Western Wisconsin

**Purpose:** The Innovation Foundation of Western Wisconsin (IFWW) provides a variety of services to entrepreneurs, innovators, and businesses focusing on creating growth through innovation.

**Policies:** The IFWW matches clients with advisors who will help find an efficient and effective path to innovation and growth and can help with all aspects of financial analysis, management, operations and planning. Grant funds are provided to selected projects to cover up to 50% of the project costs.

## WHEDA PROGRAMS

WHEDA offers a number of programs and services in support of business development within the State of Wisconsin.

**Guarantee Programs:** Loan guarantees targeted to specific types of economic development projects.

### **WHEDA Small Business Guarantee (WSBG)**

**Purpose:** To encourage business development

#### **Features & Benefits:**

- Lower Interest Rate—improves profitability
- Longer Term and Amortization—lower monthly payment
- Use for Working Capital—finance more than fixed assets and inventory
- Reduce Risk for the Lender—makes it easier to approve the loan

#### **Terms:**

- Maximum guarantee is lesser of 50% of the loan or \$750,000 for fixed assets, permanent working capital, and inventory.
- Maximum guarantee is lesser of 50% of the loan or \$200,000 for revolving working capital.

### **Contractors Loan Guarantee (CLG)**

**Purpose:** The CLG helps contractors complete contracts and build their business.

#### **Features & Benefits:**

Lower Interest Rate—improves profitability and cash flow

- Use for Working Capital or Fixed Assets needed to complete a contract or purchase order
- Reduce Risk for the Lender—makes it easier to approve the loan

**Terms:** Maximum guarantee is lesser of 50% of the loan amount or \$750,000

#### **Business Eligibility:**

- Business must have been in operation for at least 12 months.
- Business must have been awarded a contract, purchase order or other instrument approved by WHEDA, from either a local government agency, a state or federal agency or a business with gross annual sales of at least \$5 million.
- Employs 250 or fewer full-time equivalent employees at time of application.
- Located in Wisconsin.
- Owner is current in child support payments, if any.
- Project will create or retain jobs.
- Business is unable to obtain conventional financing at reasonable terms.
- Subcontractors are eligible if they are awarded contracts on WHEDA financed project or on awarded state contracts.

**WHEDA Propane Guarantee Program (PGP)**

**Purpose:** help existing propane dealers and existing small businesses access working capital, inventory and equipment with favorable financing terms.

**Features & Benefits:**

- Lower Interest Rate—improves profitability
- One year Term and Amortization—lower monthly payment
- Use for Working Capital, inventory and equipment
- Reduce Risk for the Lender—makes it easier to approve the loan

**Terms:**

- Maximum guarantee is lesser of 50% of the loan or \$50,000 for propane dealers or \$25,000 for non-propane dealers

**Neighborhood Business Revitalization Guarantee (NBRG)**

**Purpose:** help to bring or expand business, or develop or rehabilitate real estate in urban and rural communities.

**Features & Benefits:**

- Lower Interest Rate—improves profitability
- Revitalizes Distressed Urban and Rural Areas – improves neighborhoods
- Reduces Risk for the Lender - makes it easier to approve the loan

**Terms:**

- Maximum guarantee is lesser of 50% or \$750,000 for fixed assets, permanent working capital, and inventory.
- Maximum guarantee is lesser of 50% or \$200,000 for revolving working capital.
- Maximum term of the guarantee is 5 years for fixed assets, inventory and permanent working capital, and 2 years for revolving working capital.
- Amortization may exceed the term of the guarantee but cannot exceed the useful life of the security.
- Interest rate is set by the lender and is subject to WHEDA® approval. A variable rate loan may not exceed Prime + 2.75%.
- Loan must be secured by the assets being financed. Personal guarantees may be required.

**Agribusiness Guarantee**

**Purpose:** help new or existing businesses obtain financing on favorable terms to develop or expand production of products using Wisconsin's raw agricultural commodities.

**Features & Benefits:**

- Lower Interest Rate—improves profitability
- Longer Term and Amortization—lowers monthly payment
- Use for Working Capital—finance more than fixed assets and inventory
- Reduce Risk for the Lender—makes it easier to approve a loan

**Terms:**

- Maximum guarantee is lesser of 50% of the loan or \$375,000 for fixed assets, permanent working capital, and inventory. The loan amount may not exceed \$750,000.
- Maximum guarantee is lesser of 50% of the loan or \$200,000 for revolving working capital.

### **WHEDA Participation Lending Program (WPLP)**

**Purpose:** The WPLP is intended to provide Wisconsin businesses with financing that could not otherwise be secured through traditional lending. The program partners WHEDA with local community Participating Lenders, banks, credit unions, economic development corporations, community development financial institutions, small business investment corporations, and other entities that provide commercial loans in the state.

#### **Features and Benefits:**

- Reduced Risk for the Participating Lender
- Provides Access to Competitively-Priced Gap and Mezzanine Financing
- Available for Use During Construction

#### **Terms and Fees:**

- Maximum WHEDA Participation Rate of Less Than 50%
- Maximum WHEDA Loan Amount of \$2 Million
- Maximum Term: 10 Years For Fixed Assets, 15 Years For Real Estate (Target Less than 7 Years)
- Maximum Combined LTV: 85%
- Nonrefundable \$250 Application Fee (Credit Toward Origination Fee at Closing if Approved)
- Origination Fee and Interest Rate: Varies with Risk, Structure, and Complexity of Transaction

### **Wisconsin Equity Investment Fund**

**Purpose:** designed to spur equity investments in growing Wisconsin companies. The fund will be used for direct investment into small businesses in the state. The financing provided will leverage private capital investment. WHEDA is providing \$7 million for the WEIF program, which is expected to generate \$70 million in private capital for equity investment in Wisconsin businesses.

**Policies:** WHEDA is partnering with two Wisconsin-based investment managers for WEIF:

- Generation Growth Capital Fund I & II | [www.generationgrowth.com](http://www.generationgrowth.com)
- New Capital Fund II | [www.newcapitalfund.com](http://www.newcapitalfund.com)

For additional information on WEIF, contact Michelle Pobjoy, Underwriter, Economic Development, WHEDA, at 608-267-2814, or email [michelle.pobjoy@wheda.com](mailto:michelle.pobjoy@wheda.com).

### **New Markets Tax Credit (NMTC) Program**

**Purpose:** Promotes equity investment in low income urban and rural communities that in turn helps fuel job creation and economic development efforts.

**Policies:** Businesses involved in NMTC deals can obtain benefits including lower interest rates on loans, interest-only payments for seven years, non-traditional financing not available in the marketplace, access to a reduced cost of capital, and more. NMTC recipients include manufacturers, small technology firms, inner-city shopping centers, commercial real estate developments, retail stores, hotels, and health care facilities. Projects must be located in highly distressed census tracts – which are determined by factors such as poverty rates and percentage of median family income. The NMTC is a competitive program administered by the U.S. Department of the Treasury's Community Development Financial Institutions Fund.

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](mailto:info@oakdalerec.com)
- Pierce-Pepin Electric Cooperative; 715-273-4355; [info@piercepelin.com](mailto:info@piercepelin.com)
- Riverland Energy Cooperative; 608-323-3381; [atorud@riverlandenergy.com](mailto:atorud@riverlandenergy.com)
- Scenic Rivers Energy Cooperative; 608-723-2121; [lancaster@srec.net](mailto:lancaster@srec.net)
- Vernon Electric Cooperative; 608-634-3121; [vec@mwt.net](mailto: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](mailto:info@oakdalerec.com)
- Pierce-Pepin Electric Cooperative; 715-273-4355; [info@piercepelin.com](mailto:info@piercepelin.com)
- Riverland Energy Cooperative; 608-323-3381; [atorud@riverlandenergy.com](mailto:atorud@riverlandenergy.com)
- Scenic Rivers Energy Cooperative; 608-723-2121; [lancaster@srec.net](mailto:lancaster@srec.net)
- Vernon Electric Cooperative; 608-634-3121; [vec@mwt.net](mailto:vec@mwt.net)



## TRANSPORTATION ECONOMIC ASSISTANCE (TEA)

**Purpose:** To attract and retain business firms in Wisconsin and thus create or retain jobs.

**Features & Benefits:**

- Provides 50% state grants to governing bodies, private businesses, and consortiums for road, rail, harbor and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the state.

**Terms:**

- Businesses cannot be speculative and local communities must assure that the number of jobs anticipated from the proposed project will materialize within three years from the date of the project agreement and remain after another four years.
- Grants of up to \$1 million are available
- 50% local match can come from any combination of local, federal, or private funds or in-kind services.

**Contact Information:**

Brent Pickard  
Wisconsin Department of Transportation  
Division of Transportation Investment Management  
4802 Sheboygan Avenue Room 901  
P.O. Box 7913  
Madison, Wisconsin 53707-7913  
Phone: (608) 267-7753  
Email: [brent.pickard@dot.wi.gov](mailto:brent.pickard@dot.wi.gov)

## TAX CREDITS

### Internal Revenue Service (IRS)

#### **Small Business Health Care Tax Credit**

**Purpose:** makes a tax credit available to employers who pay premiums on behalf of employees enrolled in a qualified health plan offered through a Small Business Health Options Program (SHOP) Marketplace.

**Policies:** To be eligible, an employer must cover at least 50 percent of the cost of single (not family) health care coverage for each of your employees. You must also have fewer than 25 full-time equivalent employees (FTEs). Those employees must have average wages of less than \$50,000 (as adjusted for inflation beginning in 2014) per year. In 2014 the maximum credit will increase to 50 percent of premiums paid for small business employers and 35 percent of premiums paid for small tax-exempt employers. The credit will be available to eligible employers for two consecutive taxable years.

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

#### **Work Opportunity Tax Credit (WOTC) (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

*Note: The legislative authority for the WOTC program expired on December 31, 2013. At this time, there is no indication whether Congress may pass legislation extending authority for the program beyond December 31, 2013. However, in the past when the program's authority lapsed, Congress has retroactively reauthorized the program back to the date of expiration. In anticipation of possible retroactive reauthorization, employers should continue to submit WOTC applications for all target groups to State Workforce Agencies.*

## US Department of Energy

### **Fuel Cell Motor Vehicle Tax Credit**

A tax credit of up to \$4,000 is available for the purchase of qualified light-duty fuel cell vehicles. Tax credits are also available for medium- and heavy-duty fuel cell vehicles; credit amounts are based on vehicle weight. Vehicle manufacturers must follow the procedures as published to certify to the IRS that a vehicle meets certain requirements to claim the fuel cell vehicle credit. This tax credit is set to expire **December 31, 2014**. Point of Contact: U.S. Internal Revenue Service, Phone: (800) 829-1040, <http://www.irs.gov/>.

### **Hydrogen Fuel Excise Tax Credit**

A tax credit of \$0.50 per gallon is available for liquefied hydrogen that is sold for use or used as a fuel to operate a motor vehicle. For an entity to be eligible to claim the credit they must be liable for reporting and paying the federal excise tax on the sale or use of the fuel in a motor vehicle. Tax exempt entities such as state and local governments that dispense qualified fuel from an on-site fueling station for use in vehicles qualify for the incentive. Eligible entities must be registered with the IRS. The incentive must first be taken as a credit against the entity's alternative fuel tax liability; any excess over this fuel tax liability may be claimed as a direct payment from the IRS. This tax credit is set to expire on September 30, 2014. Point of Contact: Excise Tax Branch, U.S. Internal Revenue Service Office of Chief Counsel, Phone: (202) 317-6855, <http://www.irs.gov/>.

### **Hydrogen Fuel Infrastructure Tax Credit**

A tax credit is available for the cost of hydrogen fueling equipment placed into service after December 31, 2005. The credit amount is up to 30% of the cost, not to exceed \$30,000. Consumers who purchase qualified residential fueling equipment may receive a tax credit of up to \$1,000. This tax credit is set to expire December 31, 2014. Point of Contact: U.S. Internal Revenue Service, Phone: (800) 829-1040, <http://www.irs.gov/>.

### **Hydrogen Fuel Mixture Excise Tax Credit**

A tax credit of \$0.50 per gallon is available for the sale or use of liquefied hydrogen used to produce a mixture containing a taxable fuel. In order to be eligible, an alternative fuel blender must be registered with the IRS. The incentive must be taken as a credit against the blender's alternative fuel tax liability and any excess over this fuel tax liability may be claimed as a direct payment from the IRS. This tax credit is set to expire September 30, 2014. Point of Contact: Excise Tax Branch, U.S. Internal Revenue Service Office of Chief Counsel, Phone: (202) 317-6855, <http://www.irs.gov/>.

## National Park Service

### **The Federal Historic Preservation Tax Credit Program**

**Purpose:** To encourage rehabilitation of historic buildings through private sector investment that in turn creates jobs. .

**Policies:** 20% Credit: This program returns 20 percent of the cost of rehabilitating historic buildings to owners as a federal income tax credit. 10% Credit: The 10% tax credit is available for the rehabilitation of non-historic buildings placed in service before 1936. The building must be rehabilitated for non-residential use.

Note: Wisconsin has a 20% supplement to the federal income tax credit that may be applied for by those who qualify for the federal program. Point of Contact: Jen Davel, Western District, 608-264-6490, [jen.davel@wisconsinhistory.org](mailto:jen.davel@wisconsinhistory.org).

## STATE TAX CREDITS

### Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

#### **Beginning Farmer and Farm Asset Owner Tax Credit Program – Ongoing**

This program provides a refundable income tax credit for established farmers based on 15% of the annual cash lease payments of depreciable agriculture assets. Established farmers may receive credit for the first 3 years of a lease agreement. Beginning farmers receive a \$500 refundable educational credit applicable towards tuition costs of Farm Financial Management courses taken during the calendar year the credit is claimed.

#### **Woody Biomass Harvesting & Processing Investment Credit**

The Wisconsin Woody Biomass Harvesting and Processing Investment Credit is a refundable tax credit for businesses who have invested to modernize or expand Woody Biomass Harvesting and Processing Operations in Wisconsin. Woody biomass means "trees and woody plants, including limbs, tops, needles, leaves, and other woody parts, grown in a forest or woodland or on agricultural land." Tax credits are earned by incurring eligible expenses for Woody Biomass Harvesting and Processing equipment used primarily for Woody Biomass Harvesting and Processing that is used as fuel or as a component of fuel; and if acquired and placed in service in Wisconsin during taxable years that end after June 30, 2011, and before January 1, 2016. "Used primarily" means used to the exclusion of all other uses except for use not exceeding 25 percent of total use.

Businesses can earn up to 10% of the eligible expenses spent in the taxable year for modernizing and expanding Woody Biomass Harvesting and Processing Operations. The maximum amount a claimant can receive over the life of the program is \$100,000. The Department has \$900,000 for each fiscal year. The Department shall allocate \$450,000 in tax credits to businesses that individually, have no more than \$5,000,000 in gross receipts from doing business in Wisconsin for the taxable year in which the credit is claimed. The Department may prorate some or all of the allocations in order to broaden the potential for promoting economic development.

Contact Information: Mike Bandli of DATCP at 608-224-5136 or [mike.bandli@wisconsin.gov](mailto:mike.bandli@wisconsin.gov) .  
[http://datcp.wi.gov/Business/Tax\\_Credits/Woody\\_Biomass\\_Harvesting\\_and\\_Processing\\_Investment\\_Credit/index.aspx?AspxAutoDetectCookieSupport=1](http://datcp.wi.gov/Business/Tax_Credits/Woody_Biomass_Harvesting_and_Processing_Investment_Credit/index.aspx?AspxAutoDetectCookieSupport=1)

**Wisconsin Economic Development Corporation** - <http://inwisconsin.com/grow-your-business/programs/economic-development-tax-credits/>

**Jobs Tax Credit**

A certified business may qualify for tax credits only for eligible activities that occur after an eligibility date established by Wisconsin Economic Development Corporation (WEDC) and positions created as a result of the tax credits claimed shall be maintained for at least five years. <http://inwisconsin.com/grow-your-business/programs/jobscredit/>

**Enterprise Zone Tax Credit**

Businesses located in or relocating to Wisconsin may be eligible for Enterprise Zone Tax Credits. Positions that are created as a result of the tax credits claimed shall be maintained for at least five years after the certification date established by WEDC. <http://inwisconsin.com/grow-your-business/programs/enterprisecredit/>

**Economic Development Tax Credits (ETC)**

Economic Development Tax Credits (ETC) may be available to businesses for the creation or the retention of full-time jobs, and are based on wage range of the jobs, number of jobs to be created or retained, capital investment made by the business, and training costs for new or current employees. <http://inwisconsin.com/grow-your-business/programs/economic-development-tax-credits/>

**Wisconsin Qualified New Business Venture (QNBV) Tax Credit Program**

**Purpose:** To spur investment in early stage Wisconsin businesses with the potential for significant economic impact and job growth. Early stage businesses developing innovative products, processes or services may be designated as QNBVs. Investments in QNBVs made by angel investors, angel investment networks and qualified venture capital funds are eligible to receive a tax credit equal to 25 percent of the amount of the equity investment through the Early Stage Business Investment Program

**Policies:** To achieve QNBV certification, companies must meet the following criteria: 1) they must be headquartered in Wisconsin; at least 51 percent of employees based in the state; have fewer than 100 employees; in operation for 10 consecutive years or less; offer significant potential for increasing jobs or increasing capital investment in Wisconsin; have not received aggregate private equity investment in cash of more than \$10 million.

**Contacts:** WEDC Technology Investment Managers Aaron Hagar, 608.210.6825; Chris Schiffner, 608.210.682.

Wisconsin Department of Revenue - <http://www.revenue.wi.gov/businesses/incentives.html>

**Computer Equipment Exemption**

Wisconsin Statutes Section 70.11(39) exempts computers, software, and electronic peripheral equipment from property taxation.

**Deferral and Exclusion of Long-Term Capital Gains for Investments in Wisconsin Businesses on and After January 1, 2014**

Section 71.05(26), Wis. Stats., provides a deferral (only available to individuals, including individual partners or members of a partnership, limited liability company, or limited liability partnership, and individual shareholders of a tax-option corporation) of tax on long-term capital gain that is realized from the sale of assets and reinvested in a "qualified Wisconsin business."

**Exemption for Fuel and Electricity Consumed in Manufacturing**

To qualify for exemption claimant must furnish a fully completed sales tax exemption certificate to each seller of the fuel or electricity that is exempt from Wisconsin sales and use tax because it is consumed in manufacturing tangible personal property in Wisconsin. Point of Contact: Wisconsin Department Of Revenue, Customer Service Bureau, Mail Stop 5-77, P.O. Box 8949, Madison, WI 53708-8949, Phone: (608) 266-2776, Fax: (608) 267-1030.

**Farmland Preservation Credit**

Claimant must have an ownership interest in a farm that is covered by a farmland preservation agreement entered into on or after July 1, 2009, or located in a farmland preservation zoning district. Credit is a flat per-acre payment of \$5, \$7.50, or \$10, based on the claimant's qualifying acres. Point of Contact: Wisconsin Department Of Revenue, Farmland Preservation Credit Taxpayer Assistance, P.O. Box 8906, Madison, WI 53708-8906, Phone: (608) 266-2442, Fax: (608) 267-0834.

**Job Creation Deduction Credit** – Effective January 1, 2011. A deduction from federal income is allowed based on the increase in the number of full-time equivalent employees that are employed in Wisconsin during the taxable year. The subtraction from federal income is equal to \$2,000 per eligible employee for businesses with gross receipts greater than \$5 million or \$4,000 per eligible employee for businesses with gross receipts of \$5 million or less.

**Property Tax Exemption for Manufacturing Machinery and Equipment** - Under sec. 70.11(27)(b), Wis. Stats., "machinery and specific processing equipment; and repair parts, replacement machines, safety attachments and special foundations for that machinery and equipment; that are used exclusively and directly in the production process in manufacturing tangible personal property, regardless of their attachment to real property, but not including buildings" are exempt from property tax.

**Waste Treatment Exemption**

Facilities used for the treatment of industrial wastes or air contaminants may qualify for an exemption from property taxes under the provisions of s. 70.11(21) of the Wisconsin Statutes. All land, land improvements, buildings and machinery purchased or constructed as a waste treatment facility used exclusively to remove, store or cause a physical or chemical change in industrial waste or air contaminants to control or eliminate pollution of surface waters, air or waters of Wisconsin may qualify for an exemption from property taxes. Point of Contact: [mfgtel76@revenue.wi.gov](mailto:mfgtel76@revenue.wi.gov), Ph: 608-267-8992, Fax: 608-267-1355.

**Wisconsin Manufacturing and Agriculture Credit** - tax credit is available to individuals and entities for taxable years that begin on or after January 1, 2013, for eligible manufacturing and agricultural activities. The credit, a percentage of "eligible qualified production activities income" is being phased in as follows: Tax year 2013 = 1.875%, Tax year 2014 = 3.75%, Tax year 2015 = 5.526%, and Tax year 2016 = 7.5%.

**Wisconsin Research expense credits:** The research expense credit provides an incentive to businesses for increasing qualified research activities in Wisconsin. The credit equals 5% of the difference between the claimant's qualified research expenses for research conducted in Wisconsin and its Wisconsin base amount.

- The credit is 10% for qualified research related to designing internal combustion engines for vehicles including expenses related to designing vehicles that are powered by such engines and improving production processes for such engines and vehicles.
- The credit is 10% for qualified research related to the design and manufacturing of energy efficient lighting systems, building automation and control systems, or automotive batteries for use in hybrid-electric vehicles, that reduce the demands for natural gas or electricity or improve the efficiency of its use.

**Wisconsin State Energy Office** - <http://www.stateenergyoffice.wi.gov>

**Renewable Fuel Infrastructure Tax Credit** – *Credit Expires December 31, 2017*

A tax credit is available for 25% of the cost to install or retrofit fueling stations in WI that dispense motor vehicle fuel blends of at least 85% ethanol or at least 20% biodiesel fuel, or that mix fuels from separate storage tanks & allow the user to select the percentage of renewable fuel. The maximum credit is \$5,000 per taxable year for each fueling station that has installed or retrofitted a pump. Motor vehicle fuel means gasoline or diesel fuel.

**Biodiesel Fuel Production Credit**

Nonrefundable credit up to \$.10 per gallon of biodiesel fuel produced by the claimant, subject to the following: 1) only for taxable years 2011-2015; 2) taxpayer must produce at least 2.5 million gallons of biodiesel fuel in the taxable year for which credit claimed; & 3) taxpayer may not claim more than \$1 million credit/taxable year.

**Renewable Energy Sales Tax Exemption**

1979 Legislation exempts wood sold as a fuel for residential use from the state sales & use tax. This was amended in 1987 to exempt gross receipts from the sale of qualifying biomass residues used as fuel for business activity. In 2007, the exemption was expanded to include sales of all biomass used as fuel for residential use. Separately, legislation exempts products whose power source is wind, solar radiation, or gas produced from the digestion of animal manure & other agricultural wastes from the sales & use tax. To be eligible, devices must be capable of producing at least 200 watts of alternating current or 600 BTUs per day.

**Vehicle Battery and Engine Research Tax Credits**

Corporations are eligible for a tax credit equal to 10% of qualified research expenses incurred in WI during the taxable year. Qualified research includes automotive batteries used in hybrid electric vehicles that reduce demand for natural gas, electricity or improve efficiency of its use, & research related to designing internal combustion engines for vehicles, including design expenses & improving production processes for such engines & vehicles. Corporations may claim tax credits equal to 5% of amount paid or incurred during the taxable year to construct & equip new facilities or expand existing facilities used in WI for qualified research.

**Municipal Rebate Program**

**River Falls Municipal Utilities (RFMU) - Business Energy Efficiency Rebate Program** – *Ongoing*

RFMU offers many rebates to business customers for implementing energy efficient equipment upgrades: for commercial lighting, central AC tune-ups and LED lighting. Custom offerings include Shared Savings incentives, capped at \$50,000. Custom offerings include may include lighting, HVAC, motors, drives, compressed air, food service equipment, agricultural equipment & specialty measures. Large efficiency projects may be included in the RFP for Energy Efficiency offering, which requires annual energy consumption be reduced 100,000 kWh & peak demand reduced 20 kW during summer months. Consultation & technical services are also provided for qualified new construction & school projects.

**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 Contrib. | Other Requirements and Information††   | Contact Information   |
|---|--|--------------------------------------|--------------|---------------------|---------------------------|--|---|
| <b>REVOLVING LOAN FUNDS (City/Village)</b>  |  |                                      |              |                     |                           |  |   |
| <b>C. Hillsboro Community Development Authority Business Grant/Loan Program</b> , State HUD-CDBG program, p. 3                                    | none                                   | varies                               |              |                     |                           | Service Area: City of Hillsboro<br>\$5,000 maximum<br>LMI: 51%   | Fay Urban, CDBG Administrator C. Hillsboro; 608-489-2621  |
| <b>C. Hillsboro Community Development Authority (HCDA) Facade Improvement Program</b> , p.3   | 0                                      |                                      |              | None                |                           | Service Area: City of Hillsboro  | Adam Sonntag, City Administrator, C. Hillsboro, 608-489-2350  |
| <b>C. Hillsboro Economic Development Incentive Program</b> , p. 4   | 0                                      |                                      |              | None                |                           | Service Area: City of Hillsboro  | Adam Sonntag, City Administrator, C. Hillsboro, 608-489-2350  |
| <b>V. Kendall Revolving Loan Fund</b> , State HUD-CDBG program, p. 5  | 3% to prime plus 2%                    | 15 yr max.                           | 1:1          | 1:\$20,000          | 10%                       | Service Area: Village of Kendall<br>LMI: 70%   | Evelyn Hanson, Village Clerk/Treasurer; 608-463-7124;<br>kendallvill@centurytel.net                       |
| <b>C. La Crosse Small Business Development Loan Program</b> , HUD-CDBG Entitlement City Program, p. 6   | varies                                 | FA = 20 yr                           |              | 1:\$35,000 ;        | 10%                       | Service Area: C. of La Crosse, Business Size: < 100 employees;<br>Fund Uses: real estate, rehab, construction, or mfg. equipment | Lawrence Kirch, AICP, Director of Planning, C. La Crosse; 608-789-7362;<br>kirchl@cityoflacrosse.org      |
| <b>C. La Crosse Small Scale Business Assistance Program – Upper Floor renovation Loan (UFRL) Program</b> , p. 6                                   | varies                                 | 5-10 yrs.                            |              |                     | 50%                       | Service Area: C. La Crosse Central Business District   | Amy Peterson, Planning and Economic Development Administrator, 608-789-7363, petersona@cityoflacrosse.org |
| <b>C. La Crosse Small Scale Business Assistance Program – Architectural &amp; Engineering Analysis (A&amp;E) Program</b> , HUD CDBG Program, p. 7 |  |                                      |              |                     | 20%                       |  | Amy Peterson, Planning and Economic Development Administrator, 608-789-7363, petersona@cityoflacrosse.org |
| <b>C. Mondovi Revolving Loan Fund</b> , Local Sources, p. 8   | Prime, minus 2% , but not less than 4% | varies                               | 2:1          | 1:\$5,000           |                           | Service Area: City of Mondovi<br>Maximum loan: \$15,000<br>LMI: 51%  | Daniel Lauersdorf, City Administrator, C. Mondovi; 715-926-3866   |
| <b>C. Osseo Revolving Loan Fund</b> , State, CDBG program, p. 9   | Prime, minus 2%                        | WC = 7 yr<br>E = 10 yr<br>RE = 12 yr | 1:1          | 1:\$10,000          |                           | Service Area: City of Osseo<br>LMI: 51%  | Bryann Johnson, City Clerk/Treasurer, City of Osseo; 715-597-2207;<br>cityofosseo@trivest.net             |
| <b>C. Sparta Revolving Loan Fund</b> , State-HUD CDBG program , p. 10   | varies                                 | 5 yr balloon                         | 2:1          | 1:\$8,500           |                           | Service Area: City of Sparta<br>LMI: 51%   | Todd Fahning, Community Development, C. Sparta; 608-269-4340;<br>bldg@spartawisconsin.org                 |



**Mississippi River Regional Planning Commission Business Financing Guide**

| <b>Name of Fund, Source, and page number for comparison</b>  | <b>Interest</b>                  | <b>Typical Terms*</b>                         | <b>Loan Ratio**</b> | <b>Job Creation Ratio†</b>                       | <b>Minimum Borrower Contrib.</b> | <b>Other Requirements and Information††</b>   | <b>Contact Information</b>  |
|--|----------------------------------|---|---------------------|--|----------------------------------|---|---|
| <b>C. Tomah Revolving Loan Fund</b> , State HUD-CDBG program, p. 11                                      | varies                           | WC = 7 yr<br>E = 10 yr<br>RE = 12 yr          | 1:1                 | 1:\$20,000                                       |                                  | Service Area: City of Tomah<br>LMI: 51%   | Rachel Muehlenkamp, Director, C. Tomah Department of Community Development; 608-374-7455;<br><a href="mailto:tomapha@ci.tomah.wi.us">tomapha@ci.tomah.wi.us</a>   |
| <b>C. Viroqua Business Loan Fund</b> , USDA – RDA, p. 12   | 4% (tentative)                   | 5 yr (tentative)                              |                     |  |                                  | Service Area: City of Viroqua<br>Program is scheduled to start in fall 2010   | John Severson, City Administrator ; 608-637-3251 x18; <a href="mailto:cityadmin@mwt.net">cityadmin@mwt.net</a>  |
| <b>C. Whitehall Community Development Fund</b> , Urban Development Action Grant, p. 13                   | Prime minus 4%, absolute min. 4% | WC = 5 yr<br>E = useful life<br>RE = 10-20 yr | 1:1                 | 1:\$7,000  | 10%                              | Service Area: City of Whitehall   | Tina Nelson, City Administrator, C. Whitehall, 715-538-4353   |
| <b>REVOLVING LOAN FUNDS (County)</b>   |                                  |   |                     |  |                                  |   |   |
| <b>Buffalo County Revolving Loan Fund</b> , State–HUD CDBG program, p. 14                                | varies                           | WC = 7 yr<br>E = 10 yr<br>RE = 12 yr          | 1:1                 | 1:\$20,000                                       |                                  | Service Area: Buffalo County<br>LMI: 51%  | Carl Duley, UW-Extension Agricultural Agent Buffalo County; 608-685-6251;<br><a href="mailto:carl.duley@buffalocounty.com">carl.duley@buffalocounty.com</a>   |
| <b>Jackson County Loan Fund</b> , State HUD- CDBG program, p. 15   | Below prime                      | varies  |                     | 1:\$20,000                                       | 10%                              | Service Area: Jackson County<br>LMI: 51%  | Kyle Deno, County Clerk, Jackson County; 715-284-0201;<br><a href="mailto:klye.deno@co.jackson.wi.us">klye.deno@co.jackson.wi.us</a>  |
| <b>Lacrosse County Economic Development Fund</b> ; U.S. DOC-EDA, State HUD- CDBG program & County, p. 16 | Varies                           | 5 yr balloon                                  | Varies              | 1:\$15,000                                       | 10%                              | Service Area: La Crosse County<br>LMI: 51%  | Greg Flogstad, AICP, Director, Mississippi River Regional Planning Commission; 608-785-9396;<br><a href="mailto:greg@mrrpc.com">greg@mrrpc.com</a>  |
| <b>Monroe County Revolving Loan Fund</b> , State HUD- CDBG program, p. 17                                | Varies (4% in 2009-2010)         | 5 yr balloon                                  | 2:1                 | 1:\$8,500  |                                  | Service Area: Monroe County<br>LMI: 51%   | Tina Osterberg, Accounting Director, Monroe County; 608-269-8747;<br><a href="mailto:mcclerk@co.monroe.wi.us">mcclerk@co.monroe.wi.us</a><br>Bryan Law, Economic Development Planner, Mississippi River Regional Planning Commission; 608-785-9396;<br><a href="mailto:bryan@mrrpc.com">bryan@mrrpc.com</a> |
| <b>Pepin County Revolving Loan Fund</b> , State HUD-CDBG program, p. 18                                  | varies                           | WC = 7 yr<br>E = 10 yr<br>RE = 12 yr          | 1:1                 | 1:\$20,000                                       |                                  | Service Area: Pepin County<br>LMI: 51%  | Jacki Drier, Development Coordinator, Pepin County Development Office; 715-672-8897; <a href="mailto:jdrier@co.pepin.wi.us">jdrier@co.pepin.wi.us</a>   |
| <b>Vernon County Loan Fund</b> , State HUD-CDBG program, p. 19   | 4%                               | WC = 7 yr<br>E = 10 yr<br>RE = 12 yr          | 1:1                 | 1:\$20,000                                       |                                  | Service Area: Vernon County<br>LMI: 51%   | Ron Hoff, Vernon County Clerk, Vernon County Revolving Loan Committee; 608-637-5381; <a href="mailto:rhoff@vernoncounty.org">rhoff@vernoncounty.org</a>   |
| <b>Revolving Loan Funds (Regional)</b>   |                                  |   |                     |  |                                  |   |   |
| <b>Business Capital Fund</b> , U.S. DOC-EDA, 16 banks, 10 utilities, & 25 local governments, p. 20       | 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;<br><a href="mailto:bryan@mrrpc.com">bryan@mrrpc.com</a>  |
| <b>Coulee Cap Job and Business Development Program</b> , Catholic Campaign for Human Development, p. 21  | 3%                               | 5 yr  |                     | 1 new job required at min. wage & 32 hr work wk. |                                  | Service Area: Crawford, La Crosse, Monroe, and Vernon Counties<br>Must be low income and receive food stamps to qualify | Andrew Londre, Job and business Developer; coulee cap , Inc., 608.782.5525;<br><a href="mailto:andrew.londre@couleecap.org">andrew.londre@couleecap.org</a>   |
| <b>CMV Growth Development Fund</b> , U.S. DOC- EDA and Local Governments, p. 22                          | 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;<br><a href="mailto:bryan@mrrpc.com">bryan@mrrpc.com</a>  |

Mississippi River Regional Planning Commission Business Financing Guide

| Name of Fund, Source, and page number for comparison                                  | Interest     | Typical Terms*                            | Loan Ratio** | Job Creation Ratio†                  | Minimum Borrower Contrib. | Other Requirements and Information††   | Contact Information   |
|---|--------------|---|--------------|--------------------------------------|---------------------------|--|---|
| <b>Impact Seven –Greater Wisconsin Fund</b> , EDA, USDA, US Treasury, p. 23           | 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   |
| <b>Regional Business Fund, Inc., (RBF, Inc.) - Revolving Loan Fund</b> , p. 24        | Typically 4% | WC = 5 yr<br>E = 7 to 10 yr<br>RE – 10 yr |              |                                      |                           | Service Area: Barron, Chippewa, Clark, Dunn, Eau Claire, Pierce, Polk & St. Croix Counties (not all communities are participating) | Local EDC or West Central RPC; 715-836-2918; Beth Waldhart, bwaldhart@wcrpc.org; Levi Wagner, lwagner@wcrpc.org |
| <b>Regional Business Fund, Inc., (RBF, Inc.) - Downtown Façade Loan Fund</b> , p. 24  | 0%           | Up to 15 yr                               |              |                                      |                           | Service Area: Barron, Chippewa, Clark, Dunn, Eau Claire, Pierce, Polk & St. Croix Counties (not all communities are participating) | Local EDC or West Central RPC; 715-836-2918; Jennifer Ludwig, jludwig@wcrpc.org                                 |
| <b>Regional Business Fund, Inc., (RBF, Inc.) - Micro Loan Fund-</b> , p. 25           | Typically 4% | 10 yrs<br>WC = 3 yr                       |              |                                      |                           | Service Area: Barron, Chippewa, Clark, Dunn, Eau Claire, Pierce, Polk & St. Croix Counties (not all communities are participating) | Local EDC or West Central RPC; 715-836-2918; Beth Waldhart, bwaldhart@wcrpc.org; Levi Wagner, lwagner@wcrpc.org |
| <b>Regional Business Fund, Inc., (RBF, Inc.) - Technology Enterprise Fund</b> , p. 26 | Typically 4% |   | 2:1          | 1:\$10,000                           |                           | Service Area: Barron, Chippewa, Clark, Dunn, Eau Claire, Pierce, Polk & St. Croix Counties (not all communities are participating) | Local EDC or West Central RPC; 715-836-2918; Beth Waldhart, bwaldhart@wcrpc.org; Levi Wagner, lwagner@wcrpc.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. 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](mailto: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. 27                                | 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): CAP Lines – seasonal lines of credit. SBA Export Loan Programs: Int'l Trade Loan Program – term loans to businesses that plan to start or continue exporting or that have been adversely affected by competition from imports. Export Working Capital Program – to help exporters seeking short term Working Capital. SBA Export Express – Streamline method for obtaining loans & lines of credit for exporters. CAIP – to help businesses affected by global trade make fee payments on SBA loans. Microloan Program - small loans (under \$500 to \$50,000); short terms (maximum is 6 years), interest rates are negotiated between the borrower and the intermediary generally between 8 and 13 percent; 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. Community Advantage – to meet credit, mgt, technical needs of small businesses in underserved markets. Small Business Investment Company (SBIC) - Investment made with SBA-guaranteed funds in a company. Alternative to bank lending. Intended to provide gap financing. Employee Trusts – employee stock ownership plans. Pollution Control – planning, designing, or installing pollution control facility. |
| CDC/504, p. 31                             | 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.   |

**Mississippi River Regional Planning Commission Business Financing Guide**

| SBA Program and page number for comparison            | Type of Assistance   | Eligibility  | Eligible Uses   | Other Requirements and Information  |
|---|--|--|---|---|
| <b>Disaster Recovery</b> , p. 32                      | 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. |
| <b>HUBZone Empowerment Contracting Program</b> , p 32 | To give preference in government procurement to small businesses that have a location in and hire workers in Historically Underutilized Business Zones                           | Must meet definition of small business, have a principal office within a HUBZone, be under American ownership and hire 35% of workers from HUBZone |   | Businesses wishing to achieve HUBZone designation make an application to the SBA.   |

**State and Federal Loan and Grant Programs and Disaster Assistance**

| Tax Credit and page number for comparison  | Purpose/Type of Assistance   | Eligibility  | Typical Terms/Other Information   |
|--|--|--|---|
| <b>USDA Rural Business Loans- Business and Industry Guaranteed Loan Program, p. 33</b>                               | Improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities by bolstering the existing private credit structure through the guarantee of quality loans.                      | Generally available in rural areas. Borrower must provide employment; improve the economic or environmental climate; promote the conservation, development, and use of water for aquaculture; or reduce reliance on nonrenewable energy resources. | Max % guarantee – 80% on loans of \$5 million or less; 70% on loans between \$5 and \$10 million; 60% on loans exceeding \$10 million. RE = 30 yr, WC =7 yrs, E=10 yr.                  |
| <b>USDA Farm Service Agency, Farm Storage Facility Loan Program, p. 33</b>   | Provides low-interest financing for producers to build or upgrade farm storage and handling facilities.  |  | 15% cash down. Loan terms 7 – 12 yrs depending on amount of loan.   |
| <b>USDA Farm Service Agency, Micro Loan Program, p. 33</b>   | Provide assistance for the financial operating needs of beginning, niche and small family farm operations by offering flexible access to credit.   |  | Loans up to \$35,000. Loan term is up to 7 years; operating expenses repaid within 12 months.   |
| <b>USDA Rural Economic Development Loan and Grant (REDLG) Program, p. 34</b>   | The REDLG program provides funding to rural projects through local utility organizations.  | For projects that will create and retain employment in rural areas.  |   |
| <b>USDA Disaster Assistance - Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP), p. 34</b> | Provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, adverse weather, or other conditions   |  |   |
| <b>USDA Disaster Assistance – Livestock Forage Disaster Prg. (LFP), p. 34</b>  | Provides compensation to eligible livestock producers who have suffered grazing losses due to drought or fire.   |  | Counties eligible for LFP assistance can be found at <a href="http://fsa.usda.gov">fsa.usda.gov</a> . LFP provides retroactive authority to cover eligible losses back to Oct. 1, 2011. |
| <b>USDA Disaster Assistance – Livestock Indemnity Payments (LIP), p. 34</b>  | LIP provides compensation to eligible livestock producers who have suffered livestock death losses in excess of normal mortality due to adverse weather & attacks by animals reintroduced into the wild by the federal gov't or protected by federal law |  | 2014 Farm Bill makes the Livestock Indemnity Payments (LIP) a permanent program and provides retroactive authority to cover eligible livestock losses back to Oct. 1, 2011.             |
| <b>USDA Disaster Assistance – Tree Assistance Program (TAP), p. 34</b>   | Provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters.  |  |   |
| <b>US Department of Energy (DOE) – Loan Prg. -1703, p. 34</b>  | Authorizes loan guarantees made to support innovative clean energy technologies that are typically unable to obtain conventional private financing due to high technology risks  |  |   |
| <b>2014 Farm Bill – Rural Energy for America Prg (REAP), p. 35</b>   | Provides grants and loan guarantee incentives to agricultural producers and rural small businesses for a broad range of renewable energy and energy efficiency technologies.   |  |   |
| <b>2014 Farm Bill – Biomass Crop Assistance Prg., p. 36</b>  | Assist with production of sustainable, non-food crops for energy that also provide other benefits for soil conservation and water quality.   |  |   |
| <b>Wis. Brownfield Program, p36</b>  | Provides grant funds to assist local governments, businesses and individuals with assessing and remediating the environmental contamination of an abandoned, idle or underused industrial or commercial facility or site                                 |  | Funds may be used for brownfield redevelopment or associated environmental remediation activities on sites with demonstrated soil and/or groundwater contamination.                     |

Mississippi River Regional Planning Commission Business Financing Guide

| Tax Credit and page number for comparison                          | Purpose/Type of Assistance  | Eligibility  | Typical Terms/Other Information   |
|--|---|--|---|
| WEDC-Business Opportunity Loan, p36                                | To provide assistance in business expansion and relocation  |  | Business must create new full-time positions and/or retain its existing full-time employment base. Contact: Jennifer Kuderer, 608.210.6820.   |
| WEDC-Impact Loan, p36  | Assist businesses with expansion projects that will have a significant impact on job creation, job retention, capital investment.   |  | Business must create new full-time positions and/or retain its existing full-time employment base. Contact: Jennifer Kuderer, 608.210.6820.   |
| WEDC-Training Grants, p37  | Assist businesses by providing grant funds to businesses to upgrade or improve the job-related skills of its full-time employees  | Any business making a firm commitment to locate a new facility in Wis. or expand an existing facility and is upgrading a product, process or service requiring new technology and industrial skills may be eligible... | Contact: Jennifer Kuderer, 608.210.6820.  |
| WEDC-Technology Development Loans, p37                             | Offer lending options targeting the critical stages of new business development   |  | Loan terms = typically 5–7 years and not more than 10 years. Interest-only payments may be granted. Contact: Aaron Hagar, 608.210.6825.   |
| WEDC-Global Business Development Programs, p37                     | Export Education Grant (EEG) program is designed to help companies develop the internal competence to enter and expand into global markets. International Market Access Grant provides assistance to access and/or develop new international markets. | Eligible activities are WEDC approved export seminars, certification programs, conferences, and classes.   | Contact: Monica Wahlberg, WEDC Int'l Grants Mgr, 608.210.6734   |
| Ctr for Technology Commercialization, p38                          | Assist starting or expanding technology-based or research oriented businesses.  |  | Applicant must provide at least a 25% cash match per each micro-grant. Up to \$4,000 per micro-grant, up to \$8,000 total per company.  |
| The Innovation Foundation of Western Wis., p38                     | Provides services to entrepreneurs, innovators, and businesses focusing on creating growth through innovation.  |  |   |
| WHEDA - Small Business Guarantee (WSBG), p39                       | To encourage business development.  |  | Max guarantee is lesser of 50% of loan or \$750,000 for fixed assets, permanent working capital, and inventory. Max guarantee is lesser of 50% of loan or \$200,000 for revolving working capital.  |
| WHEDA - Contractors Loan Guarantee (CLG), p39                      | CLG helps contractors complete contracts and build their business.  |  | Maximum guarantee is lesser of 50% of the loan amount or \$750,000.   |
| WHEDA Propane Guarantee Prg. (PGP), p 40                           | Help existing propane dealers and existing small businesses access working capital, inventory and equipment with favorable financing terms  |  | Maximum guarantee is lesser of 50% of the loan or \$50,000 for propane dealers or \$25,000 for non-propane dealers  |
| WHEDA Neighbor-hood Business Revitalization Guarantee (NBRG), p 40 | Help to bring or expand business, or develop or rehabilitate real estate in urban and rural communities.  |  | Maximum term of the guarantee is 5 yrs for FA, inventory and permanent WC, and 2 yrs for revolving working capital.   |
| WHEDA Agribusiness Guarantee, p 40                                 | Help new or existing businesses obtain financing on favorable terms to develop or expand production of products using Wisconsin's raw agricultural commodities.   |  | Max guarantee is lesser of 50% of loan or \$375,000 for FA, permanent WC, and inventory. Loan amount may not exceed \$750,000. Max guarantee is lesser of 50% of loan or \$200,000 for revolving WC   |
| WHEDA Participation Lending Program (WPLP), p41                    | Provide Wisconsin businesses with financing that could not otherwise be secured through traditional lending.  |  | Maximum WHEDA Participation Rate of Less Than 50%; Maximum Loan Amount of \$2 Million; Maximum Term: 10 yrs for FA. 15 Years for RE; Maximum Combined LTV: 85%; Nonrefundable \$250 Application Fee (Credit Toward Origination Fee at Closing if Approved); Origination Fee and Interest Rate: Varies |

**Mississippi River Regional Planning Commission Business Financing Guide**

| <b>Tax Credit and page number for comparison</b>   | <b>Purpose/Type of Assistance</b>  | <b>Eligibility</b>   | <b>Typical Terms/Other Information</b>  |
|--|--|--|---|
| <b>WHEDA –Wis. Equity Investment Fund, p41</b>   | Designed to spur equity investments in growing Wisconsin companies   |  | Fund will be used for direct investment into small businesses. Financing provided will leverage private capital investment.   |
| <b>New Markets Tax Credit (NMTC) Program, p41</b>  | 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. An applicant must certify that a minimum of 60% of its activities are or will be directed towards serving Low-Income Persons or LICs and applicants must show that a minimum of 20% of either its governing board or advisory board(s) is representative of the LICs that it has designated. Investment funds must be used in low-income communities (census tracts 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. |
| <b>Touchstone Energy Cooperative/Dairyland Power System Economic Development Loan Program, p42</b>               | Emphasis on job creation and electricity sales.  | Borrowers must be member-consumer of the Co-op.  | Below prime interest rate, Loan ratio – 1:1, loan terms – 10 yrs.<br>Jackson Electric Coop; 715-284-5385<br>Oakdale Electric Coop; 608-372-4131;<br>Pierce-Pepin Electric Coop; 715-273- 4355<br>Riverland Energy Coop; 608-323-3381;<br>Scenic Rivers Energy Coop; 608-723-2121<br>Vernon Electric Coop; 608-634-3121  |
| <b>USDA Rural Economic Development Loan Program (Touchstone Energy Cooperative /Dairyland Power System), p42</b> | Emphasis. on job creation, ,business incubators, medical and educational facilities, infrastructure and other economic development in rural areas. |  | Loan terms – 10 yrs.<br>Jackson Electric Coop; 715-284-5385<br>Oakdale Electric Coop; 608-372-4131;<br>Pierce-Pepin Electric Coop; 715-273- 4355<br>Riverland Energy Coop; 608-323-3381;<br>Scenic Rivers Energy Coop; 608-723-2121<br>Vernon Electric Coop; 608-634-3121   |
| <b>Transportation Economic Assistance (TEA), p43</b>   | Attract and retain business firms in Wisconsin and thus create or retain jobs  | Businesses cannot be speculative; local communities must assure that the number of jobs anticipated from project will happen in three years from the date of the project agreement and remain another 4 years.   | Grants of up to \$1 million are available; 50% local match can come from any combination of local, federal, or private funds or in-kind services  |

**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   |
|---|--|---|--|
| <b>FEDERAL TAX CREDITS</b>  |  |   |  |
| <b>Small Business Health Care Tax Credit, p44</b>                             | Tax credit available to employers who pay premiums on behalf of employees enrolled in a qualified health plan.   | Employer must cover at least 50 percent of the cost of single (not family) health care coverage for employees. Must have fewer than 25 FT employees with avg wage less than \$50,000. Credit will be available to eligible employers for 2 consecutive taxable yrs.           | The credit is claimed on the annual federal income tax return.   |
| <b>Work Opportunity, p. 44</b>  | 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   |
| <b>US DOE – Fuel Cell Motor Vehicle Tax Credit, p. 45</b>                     | To encourage purchase of qualified fuel cell vehicles.   | A tax credit of up to \$4,000 is available for the purchase of qualified light-duty fuel cell vehicle.  | The credit is claimed on the annual federal income tax return and set to expire 12/31/2014.  |
| <b>US DOE – Hydrogen Fuel Excise Tax Credit, p. 45</b>                        | Tax credit of \$0.50 per gallon for liquefied hydrogen that is sold for use or used as a fuel to operate a motor vehicle.  |   | Tax credit incentive must first be taken as a credit against the entity's alternative fuel tax liability; any excess over this fuel tax liability may be claimed as a direct payment from the IRS. This tax credit is set to expire on September 30, 2014. |
| <b>US DOE – Hydrogen Fuel Infrastructure Tax Credit, p. 45</b>                | A tax credit is available for the cost of hydrogen fueling equipment placed into service after December 31, 2005   | Credit amount is up to 30% of the cost, not to exceed \$30,000.   | The credit is claimed on the annual federal income tax return and set to expire 12/31/2014.  |
| <b>US DOE – Hydrogen Fuel Mixture Excise Tax Credit, p. 45</b>                | A tax credit of \$0.50 per gallon is available for the sale or use of liquefied hydrogen used to produce a mixture containing a taxable fuel.  |   | Tax incentive must be taken as a credit against the blender's alternative fuel tax liability and any excess over liability may be claimed as a direct payment from the IRS. This tax credit is set to expire September 30, 2014.                           |
| <b>Federal Historic Preservation Tax Credit Program, p45</b>                  | Encourage rehabilitation of historic buildings through private sector investment that in turn creates jobs.  | 20 percent of the cost of rehabilitating historic buildings to owners as a federal income tax credit. 10% tax credit is available for the rehabilitation of non-historic buildings placed in service before 1936. Wis. has a 20% supplement to the federal income tax credit. | Owner must hold bldg for 5 yrs after completing the rehabilitation, or pay back the credit. For properties held between 1and 5 years, the tax credit recapture amount is reduced by 20% per year. Generally, the tax credit is claimed on IRS form 3468.   |
| <b>STATE OF WISCONSINTAX CREDITS</b>  |  |   |  |
| <b>WI-DATCP – Beginning Farmer and Farmer Owner Tax Credit Program, p. 46</b> | Provides a refundable income tax credit for established farmers based on 15% of the annual cash lease payments of depreciable agriculture assets.  | Established farmer may only claim the credit for the first three years of any lease of the agricultural assets to a beginning farmer  | Complete Wisconsin Department of Revenue Schedule FL with annual State income tax return   |



**Mississippi River Regional Planning Commission Business Financing Guide**

| <b>Tax Credit and page number for comparison</b>  | <b>Purpose</b>  | <b>Policies</b>   | <b>Procedures</b>   |
|---|---|---|---|
| <b>WI-DATCP – Woody Biomass Harvesting &amp; Processing Investment Credit, p. 46</b>                      | Provides a refundable tax credit for businesses who have invested to modernize or expand Woody Biomass Harvesting and Processing Operations in Wisconsin.   | Businesses can earn up to 10% of the eligible expenses spent in the taxable year for modernizing and expanding woody biomass harvesting and processing operations with maximum amount business can receive over lifetime of \$100,000.                          | Complete Wisconsin Department of Revenue Schedule WB with annual State income tax return              |
| <b>WEDC – Job Tax Credit, p. 47</b>   | Provides tax credits for job creation.  | Positions created as a result of tax credits must be maintained for at least 5 years.   | Contact: Jennifer Kuderer, 608.210.6820.  |
| <b>WEDC – Enterprise Zone Tax Credit, p. 47</b>   | Provides tax credits for job creation.  | Positions created as a result of tax credits must be maintained for at least 5 years.   | Contact: Jennifer Kuderer, 608.210.6820.  |
| <b>WEDC – Economic Development Tax Credits, p. 47</b>   | Provides tax credits (ETC) to businesses for the creation/retention of FT jobs, and are based on wage range of the jobs, number of jobs created/retained, capital investment made by the business, and training costs for new or current employees. |   | Contact: Jennifer Kuderer, 608.210.6820.  |
| <b>WEDC – Wis. Qualified New Business Venture Tax Credit, p. 47</b>                                       | To spur investment in early state Wisconsin businesses  | Investments in QNBVs made by angel investors, angel investment networks and qualified venture capital funds are eligible to receive a tax credit equal to 25 percent of the amount of the equity investment through the Early Stage Business Investment Program | Contact: WEDC Technology Investment Managers Aaron Hagar, 608.210.6825; Chris Schiffner, 608.210.682. |
| <b>WI-DOR – Computer Equip. Exemption, p48</b>  | Wisconsin Statutes Section 70.11(39) exempts computers, software, and electronic peripheral equipment from property taxation.   |   |   |
| <b>WI-DOR – Deferral and Exclusion of Long-Term Capital Gains for Investments in Wis. Businesses, p48</b> | Section 71.05(26), Wis. Stats., provides a deferral of tax on long-term capital gain that is realized from the sale of assets and reinvested in a "qualified Wisconsin business."   | The exclusion is only available to individuals, including individual partners or members of a partnership, limited liability company, or limited liability partnership, and individual shareholders of a tax-option corporation.                                | Contact Wisconsin Department of Revenue Customer Service Bureau at (608) 266-2486.                    |
| <b>WI-DOR – Exemption for Fuel and Electricity Consumed in Mfg, p48</b>                                   | Provides exemption for fuel and electricity consumed in manufacturing.  | Claimant must furnish a fully completed sales tax exemption certificate to each seller of the fuel or electricity that is exempt from Wis. sales and use tax because it is consumed in manufacturing tangible personal property in Wisconsin                    | See Wisconsin Department of Revenue Publication 216 for information on filing claim                   |
| <b>WI-DOR – Farmland Preservation Credit, p48</b>   | Provides tax credit for farmland that is covered by farmland preservation agreement.  | Credit is a flat per-acre payment of \$5, \$7.50, or \$10, based on the claimant's qualifying acres.  | Complete Wisconsin Department of Revenue Schedules FC-A or FC with annual State income tax return     |
| <b>WI-DOR – Job Creation Deduction Credit, p48</b>  | A deduction from federal income is allowed based on the increase in the number of full-time equivalent employees employed in Wisconsin during the taxable year.   |   | Complete Wisconsin Department of Revenue Schedule JC to claim the job creation deduction.             |
| <b>WI-DOR - Property Tax Exemption for Mfg Machinery and Equip., p48</b>                                  | Provided property tax exemption for manufacturing equipment and machinery used in production process  |   |   |
| <b>WI-DOR – Waste Treatment Exemption, p48</b>  | Provides property tax exemption for facilities used for treatment of industrial wastes.   |   | Contact Wis. Department of Revenue, 608-267-8992,   |

**Mississippi River Regional Planning Commission Business Financing Guide**

| <b>Tax Credit and page number for comparison</b>                                       | <b>Purpose</b>  | <b>Policies</b>   | <b>Procedures</b>  |
|--|---|---|--|
| <b>WI-DOR – WI Mfg and Agriculture Credit, p48</b>                                     | Provides tax credit for eligible manufacturing and agricultural activities  | Credit is being phased in as follows: Tax year 2013 = 1.875%, Tax year 2014 = 3.75%, Tax year 2015 = 5.526%, and Tax year 2016 = 7.5%.  | Complete Wisconsin Department of Revenue Schedule MA to claim credit               |
| <b>WI-DOR – Wis. Research Expense Credits, p49</b>                                     | Provides an incentive to businesses for increasing qualified research activities in Wisconsin   | Credit = 5% of the difference between the claimant's qualified research expenses for research conducted in Wis. and its Wis, base amt.  | Complete Wisconsin Department of Revenue Schedules R, R-1, and R-2 to claim credit |
| <b>WI State Energy Office – Renewable Fuel Infrastructure Tax Credit, p49</b>          | Provides tax credit for cost to install or retrofit fueling stations in WI that dispense motor vehicle fuel blends of at least 85% ethanol or at least 20% biodiesel fuel, or that mix fuels from separate storage tanks & allow the user to select the percentage of renewable fuel. | Credit expires December 31, 2017. Max credit is \$5,000 per taxable year.   |  |
| <b>WI State Energy Office – Biodiesel Fuel Production Credit, p49</b>                  | Provide credit for each gallon of biofuel produced by claimant.   | Only for taxable years 2011-2015. Taxpayer must produce at least 2.5 million gallons of biodiesel fuel in the taxable year for which credit claimed and taxpayer may not claim more than \$1 million credit/taxable year. |  |
| <b>WI State Energy Office – Renewable Energy Sales Tax Exemption, p49</b>              | Exempts wood and qualifying biomass sold as a fuel for residential use from the states sales & use tax. Also exempts products whose power source is wind, solar radiation, or gas produced from the digestion of animal manure & other agricultural wastes from the sales & use tax.  | To be eligible, devices must be capable of producing at least 200 watts of alternating current or 600 BTUs per day.   |  |
| <b>WI State Energy Office – Vehicle Battery &amp; Engine Research Tax Credits, p49</b> | Provides a tax credit equal to 10% of qualified research expenses incurred in WI during the taxable year. .   |   |  |
| <b>MUNICIPAL REBATE PROGRAMS</b>   |   |   |  |
| <b>River Falls Municipal Utilities-Business Energy Efficiency Rebate Program, p49</b>  | Offers rebates to business customers for implementing energy efficient equipment upgrades: for commercial lighting, central AC tune-ups and LED lighting.   |   |  |