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**Qualified New Business Ventures will no longer  
have to pay additional state fees**

*New state law expected to save start-up companies thousands of dollars*

**Madison, WI. June 1, 2018** — Wisconsin early-stage companies that are certified as Qualified New Business Ventures and incorporated as C corporations in other states will no longer have to pay additional assessment fees under a new state law that takes effect today.

State law requires “foreign” C corporations – those legally incorporated in other states – to pay variable fees associated with the filings of certificates of authority, annual reports and applications of withdrawal with the Wisconsin Department of Financial Institutions (DFI). Many C corporations are incorporated in Delaware but have significant operations or headquarters in Wisconsin.

Under the new law, [Wisconsin Act 156](#), those additional fees are eliminated for foreign corporations that are certified as a Qualified New Business Venture by the Wisconsin Economic Development Corporation (WEDC). Those firms will be required only to pay a flat fee with DFI.

“It is common practice for companies raising outside capital and addressing national or global markets to incorporate outside of their home state,” said Aaron Hagar, vice president of Entrepreneurship & Innovation at WEDC. “This change will benefit Wisconsin tech startups regardless of the location of their legal incorporation.”

WEDC estimates that under current law, the typical out-of-state company certified under the QNBV program pays about \$7,500 in additional fees to the State of Wisconsin. The new law enables startups to spend that money on things like equipment or personnel to help grow their business.

To be certified as a Qualified New Business Venture and thereby qualify for the flat fee, a business must meet several conditions, including:

- Be headquartered in Wisconsin.
- Have at least 51 percent of its workers employed in Wisconsin.
- Have the potential of increasing jobs or capital investment in the state.
- Have fewer than 100 employees.
- Have been in operation in Wisconsin for 10 or fewer consecutive years.

QNBV status allows investors in qualified startup and early-stage companies to receive a 25 percent state tax credit on the amount they invest in the business. The program, one of several WEDC initiatives aimed at supporting startups, helps early-stage companies secure new investment and accelerates their potential for growth and job creation in Wisconsin.

The QNBV Program helps startups close a critical gap in their development by offering tax credits for investments made in QNBV-certified companies. Participating businesses innovate and commercialize products in numerous industries, including biotechnology, manufacturing, health technology, energy, information technology and more.

The new law isn't the only change in the QNBV Program signed into law by Governor Scott Walker this year. [Wisconsin Act 234](#) raises the lifetime ceiling on angel and venture capital investments under the program from \$8 million to \$12 million per company for taxable years beginning Jan. 1, 2018.

Forms and filing instructions for Qualified New Business Ventures are available on the DFI website at [wdfi.org/corporations/QualifiedNewBusinessVenture](http://wdfi.org/corporations/QualifiedNewBusinessVenture). Information about certification of Qualified New Business Ventures is available on the WEDC website at [wedc.org.qnbv](http://wedc.org.qnbv).

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