



# 2025 WEDA LEGISLATIVE DAY

## ISSUES BRIEF: *STRENGTHENING THE WORKFORCE*

The Wisconsin Economic Development Association (WEDA) **SUPPORTS** the following legislative proposals to enhance Wisconsin's economic development toolbox and improve current state programs critical to strengthening our workforce and driving economic success across the state:

### **ENHANCE WORKFORCE HOUSING REVOLVING LOAN FUNDS:**

WEDA **SUPPORTS** "trailer" legislation to improve the three workforce housing revolving loan fund (RLF) programs created last session, and funded with \$525 million, to increase access to affordable housing for working families and strengthen the state's workforce: *Infrastructure Access Program; Restore Main Street Program; and the Vacancy-to-Vitality Program*. The bill, which would make these loan programs more effective and easier to use for communities and developers, proposes to make several important changes to the RLF programs, including:

- Repeal the provision that prohibits communities from using Historic Tax Credits or TIF in conjunction with the RLF programs. Incentive "stacking" is critical to making housing projects financially viable.
- Increase the amount of loan funding an individual project can secure under each RLF program.

### **WISCONSIN HOUSING TAX CREDIT EXPANSION:**

WEDA **SUPPORTS** legislation to expand Wisconsin's successful Housing Tax Credit to better address the state's housing shortage. The proposal would encourage the development of additional low-to-moderate income housing across the state, provide Wisconsin working families with much-needed housing opportunities, and help employers recruit and retain employees. Under current law, the WHEDA-administered Housing Tax Credit program can allocate up to \$42 million in income tax credits – spread over six years – to construct affordable housing developments. This bill would make the following important changes to the program to increase available housing in communities across Wisconsin:

- Expand the total annual tax credit allotment from \$42 million to \$100 million.
- Eliminate the program requirement that projects be financed with tax-exempt bonds.
- Boost housing development in rural areas of the state by requiring WHEDA to direct at least 35% of the tax credits each year toward housing projects in rural communities.

### **BUSINESS DEVELOPMENT TAX CREDIT IMPROVEMENT:**

Last session, 2023 WI Act 143 was signed into law to better align the state's Business Development Tax Credit (BTC) with current economic realities and challenges. In addition to modifying BTC eligibility to emphasize and encourage capital investment in Wisconsin, the act created a tax credit "sweetener" for BTC eligible businesses that invest in workforce housing and childcare programs for their employees. WEDA **SUPPORTS** "trailer" legislation that would enhance the BTC housing and childcare tax incentives to encourage greater workforce housing and childcare investment by BTC eligible businesses and ultimately help remove obstacles to workforce participation. The bill would make the following changes to current law:

- Specify that eligible investments in workforce housing and childcare programs may include contributions made to a third party for those purposes, including contributions made to a local revolving loan fund.
- Repeal the requirement that workforce housing development and childcare programs driven by the tax credit must be exclusively for the benefit of the employees of a BTC eligible business.

