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Historic credit cap bad move by Wisconsin Gov. Walker

EDITORIAL

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Staff Milwaukee Business Journal

There are many examples in the Milwaukee area of successful economic development projects that were aided by historic tax credits from the state. The most recent example is the \$23.5 million major overhaul currently underway of the Posner building on West Wisconsin Avenue near The Shops of Grand Avenue in downtown Milwaukee.

That's why it was disappointing to see the major changes to the key economic development program included in Wisconsin Gov. [Scott Walker](#)'s budget.

Under Walker's budget proposal, starting in 2016, the state would limit the tax credit awards to \$10 million per year and make projects compete to win them based on job creation and other economic benefits. That is less than a third of what developers claimed on the tax credit last year.

The cap is substantially lower than similar annual limits in other states, such as the \$45 million cap in Iowa.

Developers already are saying that the lower cap might prompt them to skip applying as it would not be worth the costs to put together an application if the total pool is so small.

Let's hope legislators listen to real estate developers and make necessary changes to Walker's proposal.