

2005 SENATE BILL 81

February 24, 2005 – Introduced by Senators LASSA, HANSEN and TAYLOR, cosponsored by Representatives BERCEAU, TURNER, MOLEPSKE, SHERIDAN and SHILLING. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT to create** 77.54 (30m), 77.54 (48) and 560.62 (3m) of the statutes;
2 **relating to:** technology development grants for renewable resource projects
3 and creating sales tax and use tax exemptions for the sale of a renewable
4 resource and for tangible personal property powered by a renewable resource.

Analysis by the Legislative Reference Bureau

This bill creates sales and use tax exemptions for the sale of a renewable resource and for the sale of any item of tangible personal property that uses a renewable resource. Under current law, “renewable resource” includes a resource that derives electricity from a fuel cell that uses a renewable fuel, tidal or wave action, solar thermal electric or photovoltaic energy, wind power, geothermal technology, wood or plant material, biological waste, crops grown for use as a resource, or landfill gases.

Under current law, the Development Finance Board (board) may award technology development grants and loans, from the Wisconsin development fund, to businesses to provide capital for developing and marketing a business or to fund technical research that is intended to result in the development of a new, or the improvement of an existing, industrial product or process.

This bill requires the board to biennially award technology development grants or loans, not exceeding a total of \$400,000 in each biennium, to businesses for research, development, or commercialization activities related to renewable resource projects.

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This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 77.54 (30m) of the statutes is created to read:

2 77.54 (**30m**) The gross receipts from the sale of and the storage, use, or other
3 consumption of a renewable resource, as defined in s. 196.378 (1) (h).

4 **SECTION 2.** 77.54 (48) of the statutes is created to read:

5 77.54 (**48**) The gross receipts from the sale of and the storage, use, or other
6 consumption of any item of tangible personal property that uses a renewable
7 resource, as defined in s. 196.378 (1) (h), as a power source.

8 **SECTION 3.** 560.62 (3m) of the statutes is created to read:

9 560.62 (**3m**) (a) In this subsection, “renewable resource” has the meaning given
10 in s. 196.378 (1) (h).

11 (b) The board shall biennially award technology development grants or loans,
12 not exceeding a total of \$400,000 in each biennium, under sub. (1) to businesses or
13 consortiums for research, development, or commercialization activities related to
14 renewable resource projects. Any amount not awarded under this paragraph in each
15 biennium may be awarded as a grant or loan described under s. 560.61.

16 **SECTION 4. Initial applicability.**

17 (1) The treatment of section 560.62 (3m) of the statutes first applies to grants
18 or loans awarded on July 1, 2005.

19 **SECTION 5. Effective dates.** This act takes effect on the day after publication,
20 except as follows:

