



**WISCONSIN LEGISLATIVE COUNCIL  
AMENDMENT MEMO**

**2009 Assembly Bill 794**

**Assembly Substitute  
Amendment 1**

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**The Bill**

2009 Assembly Bill 794 (the bill) creates the following tax credits related to thermal biomass heating systems (systems), fuel, and fuel storage facilities:

- A nonrefundable individual income tax credit, and a corporate income and franchise tax credit, for 100% of the installed cost of a system that is installed in the claimant's primary residence or place of business in Wisconsin.
- A nonrefundable individual income tax credit, and a corporate income and franchise tax credit, for 100% of the amount that a claimant paid in the taxable year for fuel used in a system that is installed in the claimant's primary residence or place of business in Wisconsin.
- A sales and use tax exemption for the purchase of a system, including accessories, attachments, and repair parts.
- A real and personal property tax exemption for a system, including accessories, attachments, and repair parts, and for all property of a facility that is used to store fuel made from biomass if the fuel is sold for use in a system.

Under the bill, the tax credits take effect on the day after publication of the act, except for the sales and use tax credit, which takes effect on the first day of the third month beginning after publication.

**Assembly Substitute Amendment 1**

Assembly Substitute Amendment 1 (ASA 1) eliminates all of the tax credits in the bill except the individual, corporate and franchise income tax credits for the cost of a system that is installed in the claimant's primary residence or place of business in Wisconsin.

ASA 1 also modifies the income tax credit by limiting the amount of credit that may be claimed as follows:

1. For amounts paid to purchase and install a furnace or boiler in the claimant's primary residence:
  - a. For taxable years beginning after December 31, 2010, and before January 1, 2013, either 30% of such amounts or \$3,600, whichever is less.
  - b. For taxable years beginning after December 31, 2012, and before January 1, 2015, either 25% of such amounts or \$3,000, whichever is less.
  - c. For taxable years beginning after December 31, 2014, and before January 1, 2017, either 20% of such amounts or \$2,400, whichever is less.
2. For amounts paid to purchase and install a stove in the claimant's primary residence:
  - a. For taxable years beginning after December 31, 2010, and before January 1, 2013, either 50% of such amounts or \$2,500, whichever is less.
  - b. For taxable years beginning after December 31, 2012, and before January 1, 2015, either 40% of such amounts or \$2,000, whichever is less.
  - c. For taxable years beginning after December 31, 2014, and before January 1, 2017, either 30% of such amounts or \$1,500, whichever is less.

The maximum amounts of the credits that may be claimed for all items installed in primary residences are as follows:

- \$2,000,000 in 2011.
- \$5,000,000 in 2012.
- \$6,000,000 in 2013.
- \$7,000,000 in 2014.
- \$7,000,000 in 2015.
- \$6,000,000 in 2016.

The Department of Revenue (DOR) may allocate the amount of any unused credits from one year to another year and may prorate the amount of the credits claimed so that the limitations are not exceeded.

3. For amounts paid to purchase and install a furnace or boiler on commercial property:
  - a. For taxable years beginning after December 31, 2010, and before January 1, 2013, either 30% of such amounts or \$4,500, whichever is less.
  - b. For taxable years beginning after December 31, 2012, and before January 1, 2015, either 25% of such amounts or \$3,750, whichever is less.
  - c. For taxable years beginning after December 31, 2014, and before January 1, 2017, either 20% of such amounts or \$3,000, whichever is less.
4. For amounts paid to purchase and install a stove on commercial property:
  - a. For taxable years beginning after December 31, 2010, and before January 1, 2013, either 50% of such amounts or \$2,500, whichever is less.
  - b. For taxable years beginning after December 31, 2012, and before January 1, 2015, either 40% of such amounts or \$2,000, whichever is less.
  - c. For taxable years beginning after December 31, 2014, and before January 1, 2017, either 30% of the such amounts or \$1,500, whichever is less.
5. For amounts paid to purchase and install a furnace or boiler on manufacturing property:
  - a. For taxable years beginning after December 31, 2010, and before January 1, 2013, either 30% of such amounts or \$45,000, whichever is less.
  - b. For taxable years beginning after December 31, 2012, and before January 1, 2015, either 25% of such amounts or \$37,500, whichever is less.
  - c. For taxable years beginning after December 31, 2014, and before January 1, 2017, either 20% of such amounts or \$30,000, whichever is less.
6. For amounts paid to purchase and install a stove on manufacturing property:
  - a. For taxable years beginning after December 31, 2014, and before January 1, 2017, either 30% of such amounts or \$1,500, whichever is less.
  - b. For taxable years beginning after December 31, 2010, and before January 1, 2013, either 50% of such amounts or \$2,500, whichever is less.
  - c. For taxable years beginning after December 31, 2012, and before January 1, 2015, either 40% of such amounts or \$2,000, whichever is less.

The maximum amounts of the credits that may be claimed for all items installed on commercial or manufacturing property are as follows:

- \$1,000,000 in 2011.
- \$2,000,000 in 2012.
- \$3,000,000 in 2013.
- \$4,000,000 in 2014.
- \$4,000,000 in 2015.
- \$3,000,000 in 2016.

DOR may allocate the amount of any unused credits from one year to another year and may prorate the amount of the credits claimed so that the limitations are not exceeded.

**Legislative History**

ASA 1 was offered by Representatives Friske and Clark on March 29, 2010. On March 31, 2010, the Assembly Committee on Jobs, the Economy and Small Business recommended adoption of the amendment, and passage of the bill, as amended, on successive votes of Ayes, 12; Noes, 0.

MM:ksm