



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2011 Senate Bill 31

**Senate Substitute
Amendment 1, as Amended**

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2011 Senate Bill 31 creates an income and franchise tax credit for the cost of specified items that are used to construct and operate a green data center, which is “a repository for the storage, management, and dissemination of data, if the mechanical, lighting, electrical, and computer systems of the real property in which the repository is located are designed for maximum energy efficiency and minimum environmental impact.”

The credit is nonrefundable and may be carried forward for 15 taxable years. The total amount of credits which may be allocated under the program is \$2 million. Credits may be awarded for expenditures made from July 1, 2011 to June 30, 2014.

The credit may be claimed for the cost of the following items, provided that the items are used to construct and operate a green data center:

- At least two of the following: low-emission building materials, including carpets and paints; sustainable landscaping; and an electronic waste recycling program, as defined by the Department of Commerce (Commerce).
- At least two of the following: catalytic converters on back-up generators; photovoltaics; heat pumps; and evaporative cooling.
- Equipment or equipment components that have a reduced amount, or none, of at least four of the following: mercury; cadmium; lead; chromium VI; polybrominated biphenyls; and polybrominated diphenyl ether.

The bill requires Commerce to implement a program for certifying businesses as eligible to receive the tax credit and authorizes, but does not require, Commerce to promulgate administrative rules

to administer the program. If Commerce certifies a business as eligible to receive the credit, Commerce must determine the maximum amount of tax credits the business may claim.

Senate Substitute Amendment 1 to 2011 Senate Bill 31 modifies the bill as follows:

- Directs the Wisconsin Economic Development Corporation (WEDC), rather than Commerce, to implement a program to certify businesses eligible to receive the tax credits. (WEDC is not authorized to promulgate administrative rules.) The substitute amendment also directs WEDC to compile a list of businesses that are certified as eligible for the credit and post the list on its Internet website and to define “electronic waste recycling program.”
- Allows the credit to be claimed for the costs of retrofitting a data center to become a green data center (in addition to the costs of construction of a new green data center, as provided in the bill).
- Clarifies that the credit may not be claimed for the costs of operating a green data center.
- Makes a technical change to the bill that moves the list of green data center components into the definition and clarifies that the credit may be claimed for the purchase of any of those items.
- Provides that credit is available for expenditures made from January 1, 2012 to December 31, 2014. Under the bill, the credit is available for expenditures made from July 1, 2011 to June 30, 2014.

Senate Amendment 1 to Senate Substitute Amendment 1 prohibits WEDC from allocating the entire \$2 million in tax credits to a single business before July 1, 2012. If WEDC receives applications from two or more eligible businesses before that date, it must certify at least two companies to receive the credit.

Legislative History

Senate Substitute Amendment 1 was offered by Senator Darling on October 4, 2011. Senate Amendment 1 to Senate Substitute Amendment 1 was offered by Senator Lassa on October 4, 2011. On October 5, 2011, the Senate Committee on Economic Development, Veterans, and Military Affairs voted to adopt both amendments and recommend passage of the bill, as amended, on successive votes of Ayes, 7; Noes, 0.

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