

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0318/P1dn
AJM:kjf

October 19, 2016

Senator Roth,

Please review this draft carefully to ensure that it is consistent with your intent.

In drafting this bill, I noticed that adding waste heat recovery to the renewable resource list in s. 196.378 (1) (h) 1. could make it possible for an investor to claim an angel investment tax credit from WEDC (s. 238.15) if that investor is investing in a construction company that builds power plants. That tax credit is available for investing in construction companies that build power plants that use renewable resources, as defined under s. 196.378 (1) (h) 1.

I am not certain how WEDC would interpret this statute, but it appears possible under this bill that a construction company could build a conventional power production plant that includes a waste heat recovery process and that company's investors could be eligible for the tax credit, even though the power plant primarily uses conventional resources for production. Please let me know if you think this issue needs to be addressed in this draft.

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