



State of Wisconsin  
2025 - 2026 LEGISLATURE

LRB-0538/1

KP:skw

## 2025 ASSEMBLY BILL 222

April 23, 2025 - Introduced by Representatives STEFFEN, ARMSTRONG, ANDERSON, GREEN, B. JACOBSON, KREIBICH, MIRESE, MURSAU, NEDWESKI, O'CONNOR, ROE and UDELL, cosponsored by Senators QUINN, TESTIN, PFAFF, SPREITZER and TOMCZYK. Referred to Committee on Transportation.

1     **AN ACT** *to amend* 71.05 (6) (a) 15., 71.21 (4) (a), 71.26 (2) (a) 4., 71.34 (1k) (g)  
2             and 71.45 (2) (a) 10.; **to create** 71.07 (12), 71.10 (4) (gm), 71.28 (12), 71.30 (3)  
3             (dw), 71.47 (12) and 71.49 (1) (dw) of the statutes; **relating to:** a sustainable  
4             aviation fuel production tax credit.

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### ***Analysis by the Legislative Reference Bureau***

This bill creates an income and franchise tax credit for the production of sustainable aviation. “Sustainable aviation fuel” is aviation fuel of which at least 90 percent of the aviation fuel is derived from synthetic, renewable, and nonpetroleum sources. Beginning in tax year 2028, the credit is equal to \$1.50 for each gallon of sustainable aviation fuel produced by a claimant in this state during a taxable year. For a sustainable aviation fuel derived from energy crops to be eligible for the credit, the energy crops used to produce the sustainable aviation fuel must be grown within the United States.

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

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

**ASSEMBLY BILL 222****SECTION 1**

**SECTION 1.** 71.05 (6) (a) 15. of the statutes is amended to read:

71.05 **(6)** (a) 15. The amount of the credits computed under s. 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5i), (5j), (5k), (5r), (5rm), (6n), ~~and (10), and (12)~~ and not passed through by a partnership, limited liability company, or tax-option corporation that has added that amount to the partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or 71.34 (1k) (g).

**SECTION 2.** 71.07 (12) of the statutes is created to read:

71.07 **(12)** SUSTAINABLE AVIATION FUEL PRODUCTION CREDIT. (a) *Definitions.*

In this subsection:

1. "Claimant" means a person who files a claim under this subsection.

2. "Energy crop" means a plant grown to produce biomass that can be converted into renewable energy.

3. "Sustainable aviation fuel" means aviation fuel of which at least 90 percent of the aviation fuel is derived from synthetic, renewable, and nonpetroleum sources, such as energy crops.

(b) *Filing claims.* For taxable years beginning after December 31, 2027, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of the tax, an amount equal to \$1.50 for each gallon of sustainable aviation fuel produced by the claimant in this state during the taxable year.

(c) *Limitations.* 1. No credit under this subsection may be claimed for the production of a sustainable aviation fuel derived at least in part from energy crops unless the energy crops were grown within the United States.

2. Partnerships, limited liability companies, and tax-option corporations may

**ASSEMBLY BILL 222****SECTION 2**

1 not claim the credit under this subsection, but the eligibility for, and the amount of,  
2 the credit are based on their investment of amounts under par. (b). A partnership,  
3 limited liability company, or tax-option corporation shall compute the amount of  
4 credit that each of its partners, members, or shareholders may claim and shall  
5 provide that information to each of them. Partners, members of limited liability  
6 companies, and shareholders of tax-option corporations may claim the credit in  
7 proportion to their ownership interests.

8 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under  
9 s. 71.28 (4), applies to the credit under this subsection.

10 **SECTION 3.** 71.10 (4) (gm) of the statutes is created to read:

11 71.10 (4) (gm) Sustainable aviation fuel production credit under s. 71.07 (12).

12 **SECTION 4.** 71.21 (4) (a) of the statutes is amended to read:

13 71.21 (4) (a) The amount of the credits computed by a partnership under s.  
14 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n),  
15 (5g), (5i), (5j), (5k), (5r), (5rm), (6n), ~~and (10), and (12)~~ and passed through to  
16 partners shall be added to the partnership's income.

17 **SECTION 5.** 71.26 (2) (a) 4. of the statutes is amended to read:

18 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
19 (1dx), (1dy), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), (5g), (5i), (5j), (5k), (5r),  
20 (5rm), (6n), ~~and (10), and (12)~~ and not passed through by a partnership, limited  
21 liability company, or tax-option corporation that has added that amount to the  
22 partnership's, limited liability company's, or tax-option corporation's income under  
23 s. 71.21 (4) or 71.34 (1k) (g).

24 **SECTION 6.** 71.28 (12) of the statutes is created to read:

**ASSEMBLY BILL 222****SECTION 6**

1           71.28 (12) SUSTAINABLE AVIATION FUEL PRODUCTION CREDIT. (a) *Definitions.*

2           In this subsection:

3           1. “Claimant” means a person who files a claim under this subsection.

4           2. “Energy crop” means a plant grown to produce biomass that can be  
5           converted into renewable energy.

6           3. “Sustainable aviation fuel” means aviation fuel of which at least 90 percent  
7           of the aviation fuel is derived from synthetic, renewable, and nonpetroleum sources,  
8           such as energy crops.

9           (b) *Filing claims.* For taxable years beginning after December 31, 2027, a  
10          claimant may claim as a credit against the tax imposed under s. 71.23, up to the  
11          amount of the tax, an amount equal to \$1.50 for each gallon of sustainable aviation  
12          fuel produced by the claimant in this state during the taxable year.

13          (c) *Limitations.* 1. No credit under this subsection may be claimed for the  
14          production of a sustainable aviation fuel derived at least in part from energy crops  
15          unless the energy crops were grown within the United States.

16          2. Partnerships, limited liability companies, and tax-option corporations may  
17          not claim the credit under this subsection, but the eligibility for, and the amount of,  
18          the credit are based on their investment of amounts under par. (b). A partnership,  
19          limited liability company, or tax-option corporation shall compute the amount of  
20          credit that each of its partners, members, or shareholders may claim and shall  
21          provide that information to each of them. Partners, members of limited liability  
22          companies, and shareholders of tax-option corporations may claim the credit in  
23          proportion to their ownership interests.

**ASSEMBLY BILL 222****SECTION 6**

1 (d) *Administration*. Subsection (4) (e) to (h), as it applies to the credit under  
2 sub. (4), applies to the credit under this subsection.

3 **SECTION 7.** 71.30 (3) (dw) of the statutes is created to read:

4 71.30 (3) (dw) Sustainable aviation fuel production credit under s. 71.28 (12).

5 **SECTION 8.** 71.34 (1k) (g) of the statutes is amended to read:

6 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
7 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w),  
8 (3wm), (3y), (4), (5), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), ~~and (10)~~, and (12) and  
9 passed through to shareholders.

10 **SECTION 9.** 71.45 (2) (a) 10. of the statutes is amended to read:

11 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
12 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), (5g), (5i),  
13 (5j), (5k), (5r), (5rm), (6n), ~~and (10)~~, and (12) and not passed through by a  
14 partnership, limited liability company, or tax-option corporation that has added  
15 that amount to the partnership's, limited liability company's, or tax-option  
16 corporation's income under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit  
17 computed under s. 71.47 (3), (3t), (4), (4m), and (5).

18 **SECTION 10.** 71.47 (12) of the statutes is created to read:

19 71.47 (12) SUSTAINABLE AVIATION FUEL PRODUCTION CREDIT. (a) *Definitions*.  
20 In this subsection:

21 1. "Claimant" means a person who files a claim under this subsection.

22 2. "Energy crop" means a plant grown to produce biomass that can be  
23 converted into renewable energy.

24 3. "Sustainable aviation fuel" means aviation fuel of which at least 90 percent

**ASSEMBLY BILL 222****SECTION 10**

1 of the aviation fuel is derived from synthetic, renewable, and nonpetroleum sources,  
2 such as energy crops.

3 (b) *Filing claims.* For taxable years beginning after December 31, 2027, a  
4 claimant may claim as a credit against the tax imposed under s. 71.43, up to the  
5 amount of the tax, an amount equal to \$1.50 for each gallon of sustainable aviation  
6 fuel produced by the claimant in this state during the taxable year.

7 (c) *Limitations.* 1. No credit under this subsection may be claimed for the  
8 production of a sustainable aviation fuel derived at least in part from energy crops  
9 unless the energy crops were grown within the United States.

10 2. Partnerships, limited liability companies, and tax-option corporations may  
11 not claim the credit under this subsection, but the eligibility for, and the amount of,  
12 the credit are based on their investment of amounts under par. (b). A partnership,  
13 limited liability company, or tax-option corporation shall compute the amount of  
14 credit that each of its partners, members, or shareholders may claim and shall  
15 provide that information to each of them. Partners, members of limited liability  
16 companies, and shareholders of tax-option corporations may claim the credit in  
17 proportion to their ownership interests.

18 (d) *Administration.* Section 71.28 (4) (e) to (h), as it applies to the credit under  
19 s. 71.28 (4), applies to the credit under this subsection.

20 **SECTION 11.** 71.49 (1) (dw) of the statutes is created to read:

21 71.49 (1) (dw) Sustainable aviation fuel production credit under s. 71.47 (12).

22 (END)