



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-2717/1

KP:skw

2025 SENATE BILL 284

May 30, 2025 - Introduced by Senators QUINN, TESTIN, PFAFF, SPREITZER and TOMCZYK, cosponsored by Representatives STEFFEN, ARMSTRONG, ANDERSON, GREEN, B. JACOBSON, KREIBICH, MIRESE, MURSAU, NEDWESKI, O'CONNOR, ROE, UDELL and JOERS. Referred to Committee on Agriculture and Revenue.

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.

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.

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

SENATE BILL 284**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

SENATE BILL 284**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:

SENATE BILL 284**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.

SENATE BILL 284**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

SENATE BILL 284**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)