

## Co-sponsorship Memorandum

**To:** All Legislators

**From:** Representative David Steffen

Senators Romaine Quinn and Patrick Testin

**Date:** April 3, 2025

**Re:** Co-Sponsorship of LRB 0538/1: Creating a Sustainable Aviation Fuel (SAF) Tax Credit

**DEADLINE: April 16, 2025 at 5PM**

This bill creates a Sustainable Aviation Fuel (SAF) production tax credit of \$1.50 per gallon of SAF produced in Wisconsin. SAF is jet fuel derived from renewable agriculture sources, including low value energy crops. For purposes of this legislation, SAF only includes feedstocks that are grown or sourced domestically from within the United States. While there is currently no production of SAF occurring in Wisconsin, our state is in a prime position to become a hub for SAF production, both geographically, and because of our strong agricultural outputs. It is anticipated that this will produce a new market for our farming and timber industries. This credit would go into effect in tax year 2028.

At a time when the agricultural sector is facing a myriad of challenges, Wisconsin can support its farmers and timber producers by seizing opportunities for our growing biofuels industry. Wisconsin's biofuels industry adds \$4.2 billion to the state's economy and directly employs over 19,000 people. It bridges our state's strong farming and logging heritage with our country's drive to find sustainable, domestic energy sources.

Wisconsin can lead the way in championing the production of this sustainable fuel, providing our farmers and timber producers with a long-term, reliable path in our ever-changing global economy.

To co-sponsor this legislation, please reply to this email or call Rep. Steffen's office (7-9104) or Senator Quinn's office (6-3510) by **April 16, 2025 at 5PM**. Co-sponsors will be added to both the Assembly and Senate versions of this bill unless otherwise specified.

### ***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.