

LAK:ty

12/10/2008

1 **AN ACT** *to amend* 73.03 (50) and 78.005 (5); and *to create* 73.0303, 78.005 (1m),
2 78.01 (2f), 78.07 (5), 168.05 (6) and 168.12 (2) of the statutes; **relating to:**
3 exempting personal biodiesel fuel production and use from state taxes, fees,
4 inspection requirements, and licensing requirements.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This bill draft was prepared for the Joint Legislative Council's Special Committee on Domestic Biofuels.

This bill draft would exempt the first 1,000 gallons of biodiesel produced by a person each year, that the person uses in his or her personal vehicle, from the motor vehicle fuel excise tax, the petroleum inspection fee, and petroleum inspection requirements not required by federal law. The draft would also allow a person to produce this biodiesel without a business tax registration certificate or a motor vehicle fuel tax license.

5 **SECTION 1.** 73.03 (50) of the statutes is amended to read:

6 73.03 **(50)** With the approval of the joint committee on finance, to establish fees for
7 obtaining a business tax registration certificate, which, except as provided in s. 73.0302, is
8 valid for 2 years, and for renewing that certificate and, except as provided in ~~s. 73.0302 ss.~~
9 73.0302 and 73.0303, shall issue and renew those certificates if the person who wishes to
10 obtain or renew a certificate does all of the following:

11 **SECTION 2.** 73.0303 of the statutes is created to read:

12 **73.0303** The department may not require a person to obtain a biomass tax registration
13 certificate related to the production or use of biodiesel exempt under s. 78.01 (2f) from the tax
14 under s. 78.01 (1).

15 **SECTION 3.** 78.005 (1m) of the statutes is created to read:

78.005 (1m) “Biodiesel” means a fuel that is comprised of monoalkyl esters of long chain fatty acids derived from vegetable oils, animal fats, or other biomass.

SECTION 4. 78.005 (5) of the statutes is amended to read:

78.005 (5) “Diesel fuel” means any liquid fuel capable of use in discrete form or as a blended component in the operation of diesel-type engines in motor vehicles including biodiesel and number one and number 2 fuel oils, except that kerosene is not “diesel fuel” unless it is blended with diesel fuel for use in motor vehicles that have a diesel-type engine.

SECTION 5. 78.01 (2f) of the statutes is created to read:

78.01 **(2f) HOME BIODIESEL PRODUCER EXEMPTION.** No tax is imposed under sub. (1) on the first 1,000 gallons of biodiesel produced each year by a person and used by that person in that person's personal motor vehicle.

SECTION 6. 78.07 (5) of the statutes is created to read:

78.07 (5) Biodiesel exempt under s. 78.01 (2f) from the tax under s. 78.01 (1) is not received for the purposes of this section.

SECTION 7. 168.05 (6) of the statutes is created to read:

168.05 (6) This section does not apply to biodiesel exempt under s. 78.01 (2f) from the tax under s. 78.01 (1) unless inspection is required by federal law.

SECTION 8. 168.12 (2) of the statutes is created to read:

168.12 (2) The fee under sub. (1) is not imposed on biodiesel exempt under s. 78.01 (2f) from the tax under s. 78.01 (1).

(END)