

Capitol LINK

CURRENT ISSUES AFFECTING WISCONSIN AGRICULTURE & AGRI-BUSINESS

July 2007

Welcome to PDPW's Capitol Link electronic newsletter!

We're working hard to keep you educated and informed about current issues affecting Wisconsin Agriculture and Agri-Business in a timely and effective way.

Thanks,
Professional Dairy Producers of Wisconsin (PDPW)

State Budget Update: Conference Committee on the Horizon

By Jordan Lamb

Both the State Senate and the State Assembly have now passed different versions of a biennial budget bill. The Assembly budget bill, which was approved on July 10th with a 51-44 vote, provides almost entirely different spending provisions from the Senate version, which passed on June 26th with a vote of 18-15.

All 18 of the Senate Democrats voted in support of their version of the budget bill. All but one of the 52 Assembly Republicans voted in support of their budget. Representative Jeff Wood (R-Chippewa Falls) voted against his caucus' proposal.

The Senate version of the budget spends \$9.8 billion more than the Assembly version. The majority of this spending difference comes from the Assembly Republicans rejection of Governor Doyle's proposal to impose a new tax on hospitals; create a tax on oil companies; and raise the cigarette tax by \$1.25 per pack. In addition, the Republicans eliminated the Senate Democrats' universal health care plan that is funded with a payroll tax on both employers and employees.

Now, the vast differences between the two versions of the budget must be worked out. Eight legislative leaders from both houses will form a committee consisting of four Republicans and four Democrats. They will convene what is referred to as a "conference committee." This conference committee is scheduled to begin negotiating a compromise budget bill as early as next week. However, leaders in both houses have expressed their intent to stand firm on their proposal. Accordingly, it could be a very lengthy negotiating process. Even though the new fiscal year started July 1, the state does not stop spending in the absence of an agree-upon budget bill. Rather, state spending will continue at current levels until Governor Doyle approves a new budget.

Farming Sales and Use Tax Exemptions Expanded

By Jordan Lamb

On July 1, 2007, the sales and use tax exemptions available to farmers were expanded and were also made available to those who are engaged in silviculture. These expanded exemptions are the result of 2005 Wisconsin Act 366. The Wisconsin Department of Revenue (DOR) estimates that this change will save farmers about \$2.8 million in sales tax annually.

According to DOR, in addition to the current sales and use tax exemptions that are provided for tractors and machines, various listed agricultural supplies, electricity and fuel, under the *expanded* law, "the gross receipts from the sale of and the storage, use or other consumption of lubricants, nonpowered equipment, and other tangible personal property that are used exclusively and directly, or are consumed or lose their identities, in the business of farming" will also be exempt from Wisconsin sales and use tax. In addition, the definition of "farming" was also revised to include "silviculture," which refers to the business of raising trees for timber, lumber and other wood products.

Additional information and examples of items which will qualify for these exemptions are provided in DOR Publication 221, *Farm Suppliers and Farmers, How Do Wisconsin Sales and Use Taxes Affect Your Operations?* Visit <http://www.revenue.wi.gov/pubs/pb221.pdf> to access this publication online.

DNR is Developing TMDL for Rock River Basin

By Jordan Lamb

As required by the United States EPA, the Wisconsin Department of Natural Resources (DNR) is developing a Total Maximum Daily Load (TMDL) to address sediment and phosphorus pollution in the Upper and Lower Rock River watersheds.

This area covers the southwest portion of Fond du Lac County, all of Dodge and Jefferson counties, the western half of Washington, Waukesha and Walworth Counties, and eastern portions of Columbia, Dane and Rock Counties. Over 800,000 residents live within this basin, which covers 3,750 square miles. Sixty-two percent of the land in the basin is identified by DNR as agricultural crops. This area is credited with hosting 19% of Wisconsin's farmland, 21% of Wisconsin's farms and produces 22% of Wisconsin's agricultural products.

A TMDL is the maximum amount of pollutants that a particular waterway can assimilate and still be in compliance with established water quality standards. Once it is established, the Rock River Basin TMDL will allocate an acceptable level or amount of pollutants that can be tolerated from both point and nonpoint sources. It is anticipated that the majority of the new pollution controls will be focused on farmland activities within this area because, as stated by DNR, "the bulk of the phosphorus [discharged into the basin] now comes from agricultural related activities."

The development of the Rock River TMDL is occurring right now and it is anticipated that a draft will be available for public comment in 2008. Once finalized, the TMDL report must be approved by EPA prior to implementation.

If you are interested in learning more about this TMDL, participating in stakeholder workgroups or providing technical comments on the development of the TMDL, contact Kevin Kirsch at (608) 266-7019 at the DNR. To access the DNR's Rock River TMDL web page, visit <http://dnr.wi.gov/org/water/wm/wqs/303d/RockRiverTMDL/>.

Natural Resources Board Authorizes Air Emissions Rule for Public Hearing

By Jordan Lamb

At their June 27, 2007 meeting, the Natural Resources Board unanimously authorized the Department of Natural Resources' proposed revisions to Wis. Admin. Code § NR 445 to go out for public hearing.

The proposed revisions to NR 445 extend the implementation deadline for air permit requirements and hazardous air pollutant emission requirements for sources of emissions of hazardous air contaminants associated with agricultural waste until July 31, 2011. This extension more suitably corresponds to the projected completion dates for both state and federal air emissions studies on livestock operations.

Capitol Link Details

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