



Date: June 8, 2023

To: Chairman Macco and Members of the Assembly Committee on Ways and Means

From: Jenny Kuderer-Radcliffe – Economic Development Manager, Dairyland Power Cooperative

RE: Support of Assembly Bill 302 – Sales and Use Tax Exemption for Data Center Equipment or Software

Good afternoon, Chairman Macco and Members of the Assembly Committee on Ways and Means. Thank you for holding a hearing today on AB 302, relating to the Sales and Use Tax Exemption for Data Center Equipment or Software. I am Jenny Kuderer-Radcliffe, Economic Development Manager for Dairyland Power Cooperative, and a member of the Wisconsin Economic Development Association Board of Directors. I am here to testify in support of AB 302.

Dairyland Power is a generation and transmission electric utility, owned by 24-member distribution cooperatives, including 18 cooperatives spanning the length of western Wisconsin and serving some of the most rural areas of our state. As Dairyland and our member cooperatives partner with our communities on business attraction, as well as business retention and expansion, it is critical that we have the right tools in our economic development toolbox to compete with neighboring states and nationally for projects that advance our economies, both urban and rural.

AB 302 will provide critical tax incentives, allowing us to compete for high-value economic development projects that will bring significant investment, tax base, and high-quality jobs to our communities. Dairyland also serves member cooperatives in Minnesota, Illinois, and Iowa which all offer data center incentives. Aligning with these states is particularly important in our border communities where labor sheds and commuting patterns know no geographic boundaries.

As the digital economy continues to grow exponentially, so too will the need for data centers, and Wisconsin is well-positioned to compete for these projects. Not only do our business-friendly communities embrace new industry, but we also enjoy attractive labor rates, possess an abundance of affordable land, and have a temperate climate that is conducive to energy and cooling cost savings. Wisconsin also offers a tremendous quality of life, which gives us a competitive advantage in attracting and retaining high-tech talent to our state, as would the existence of a vibrant data center market. The tax incentives provided by AB 302 are the last piece of the puzzle that could make Wisconsin an ideal location for hyperscale data centers.

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We also applaud the tiered definition of “qualified data center” which will encourage investments in rural Wisconsin. Rural Wisconsin is well-positioned to host data center projects and to reap the economic and community development benefits of such projects.

As an electric utility, Dairyland Power is making significant investments in our renewable energy portfolio and is exploring new generation technologies, not only to serve current electricity demand levels but also to support the economy well into the future. We are committed to being strong economic development partners to advance Wisconsin’s driver industries like manufacturing and tourism and to propel emerging industries such as the electric vehicle market and data centers forward here in Wisconsin.

On behalf of the Wisconsin Economic Development Association, Dairyland Power Cooperative and our statewide association, the Wisconsin Electric Cooperative Association, and as a long-time economic developer in our great state, I strongly encourage your support of AB 302.

Thank you.