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A new Wisconsin law expanding tax exemptions for updating agricultural businesses such as feed mills "essentially levels the playing field for local companies and farmers," said Senate co-sponsor Jennifer Shilling, D-La Crosse.

Wisconsin Governor Scott Walker signed the bill into law Thursday at Cashton Farm Supply Specialties, an organic feed manufacturer and distributor.

It is expected to save agricultural manufacturing firms \$1.5 million a year in state sales and use taxes and \$150,000 in local taxes, according to legislative cost analyses.

"This is really fitting because two of the largest parts of the Wisconsin economy are manufacturing and agriculture," Walker said.

"Agriculture is a \$59 billion part of the state's economy," he said. "Agriculture is not only an industry but for those who farm in this state, it's also a way of life."

Shilling said the law "will benefit rural economies and encourage growth for small family farms."

Assembly co-sponsor Rep. Lee Nerison, R-Westby, said the law will help ag businesses involved in fertilizer blending, feed milling or grain drying update equipment.

For example, Nerison said, Larson Agri Service Feed Mill in Whitehall could benefit from the exemption to rebuild and update the technology of a facility that burned down last week.

“It will make a difference in keeping feed mills and fertilizer plants and grain drying

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Some mills were taxed and some were not, said Lorne Peterson, owner of Cashton Farm Supply. “The problem with grain storage is if you called it a tank it wasn't taxed, but if you called it a bin, it was.”

Under the new law, such bins will be designated as manufacturing because that is their only use.

Under the previous interpretation, a state tax audit levied \$13,300 in sales taxes and \$4,600 for its mill addition, said Ann McWilliams, the company's accountant. The firm also incurred \$5,000 in CPA fees in the case, she said.

“It's no benefit to us now,” Peterson said, although the company could use it for future projects.

The law passed with bipartisan support, which Shilling attributed to the fact that “this did not have a partisan angle. We had to educate urban legislators that it would help rural economies. It was a rural-urban issue.”

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