

Proposed incentives for Kimberly-Clark would provide up to \$115 million over 15 years

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Gov. Scott Walker's proposed incentives to keep over 600 Kimberly-Clark jobs in the state would provide the company up to \$115 million over the next 15 years.

That's according to a letter sent by WEDC CEO and Secretary Mark Hogan to Thomas Falk, executive chairman and CEO of Kimberly-Clark Corporation. In it, Hogan laid out details for Walker's plan, which would require the Legislature passing special legislation to give Kimberly-Clark extra incentives to keep two facilities open in Fox Crossing and Neenah.

The proposed legislation — which began circulating for co-sponsors yesterday — would apply only to the two facilities scheduled to be closed. If it passes, the paper manufacturer would get refundable tax credits for 17 percent of eligible wages for 15 years — up from the standard 7 percent for 12 years.

Bill author Senate President Roger Roth called these “Foxconn terms” in early February when Walker had first proposed these incentives, and likened the impact of Kimberly-Clark on the state to the potential of the Foxconn development.

Kimberly-Clark would also get refundable tax credits for 15 percent of capital expenditures — up from the standard 10 percent — over a five-year period. The company would also get a five-year sales tax exemption on those capital expenditures.

The Wisconsin Economic Development Corp. estimates average annual earnings for the workers in question at between \$65,000 and \$75,000. If approximately 610 employees are retained at those two facilities, then the legislative changes would provide the company with between \$6.7 and \$7.8 million each year in tax credits, or between \$100 million and \$115 million over a 15-year period.

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