

# Backers of incentive package for biofuels plant propose pared back state help

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Backers of an incentive package to draw a German aviation biofuel plant to northern Wisconsin have proposed paring it back to \$120 million in state assistance from their original call of \$210 million.

Bill sponsor and Senate President Mary Felzkowski, R-Tomahawk, told WisPolitics that lawmakers dropped a proposed grant that would be paid for by state bonds from AB 619 due to a lack of buy-in from Assembly Speaker Robin Vos, R-Rochester.

Instead, the amendment would double the amount of Wisconsin Economic Development Corporation-issued tax credits available to the project to \$120 million. It also would extend the window of eligibility for the tax credits to 20 years from 12.

During a public hearing before the Assembly Ways and Means Committee, Felzkowski and Rep. Chanz Green, R-Grand View, framed the bill as an economic lifeline to aging and shrinking communities in northern Wisconsin, citing the 150 jobs the plant would bring as well as the boost to industries like construction and logging and demands for new grid transmission capacity.

Green said the economic boom would also help promote active management of northern forests, which are threatened by pests, invasive plants and other risk factors.

Defending the reduced-but-still-substantial price tag, Felzkowski predicted the funds would wind up in northern Wisconsin one way or another.

“You’re going to spend it on economic development, or you’re going to spend it on invasive species control and you’re going to spend it on wildfires,” she said.

Under the substitute [amendment](#) introduced this week, tax break recipients would

have to provide documents to WEDC showing the project is economically viable.

Lawmakers are hoping to draw a \$1.5 billion Synthec Fuels plant to Hayward, in Sawyer County, that would convert low-quality wood into sustainable aviation fuel, which they note is increasingly in demand by international air carriers to comply with European Union and United Kingdom regulations.

Wisconsin is competing for the proposed plant with Minnesota, which has called for a mix of tax credits and grants to draw Synthec to Hibbing, Minnesota.

A spokesperson for the Minnesota Department of Employment and Economic Development confirmed the business could receive \$111 million in loans and statutory business tax exemptions if the plant were set up in northern Minnesota.

Bill Johnson Jr., president of Johnson Timber, which would partner with Synthec Fuels and process the timber for the plant, testified in favor of the bill, as did representatives from the Farm Bureau, carpenters union, Hayward Area Chamber of Commerce and the Sawyer County Economic Development Corporation.

Apart from the public hearing, the Ways and Means Committee in executive session also voted unanimously to approve an amended version of AB 657, which creates a sales and use tax exemption for nuclear fusion technology projects. The amendment would expand the tax exemption to cover “tangible personal property” used exclusively for the fusion project and sunsets the exemption on Dec. 31, 2076.