



2007 SENATE BILL 78

March 1, 2007 – Introduced by Senators ROESSLER, LASSA, S. FITZGERALD, SCHULTZ, ERPENBACH and SULLIVAN, cosponsored by Representatives OWENS, ALBERS, GUNDERSON, JESKEWITZ, KERKMAN, A. OTT, PETROWSKI, TOWNSEND and WASSERMAN. Referred to Committee on Transportation, Tourism and Insurance.

1 **AN ACT to create** 71.07 (6f) and 71.10 (4) (ce) of the statutes; **relating to:** creating
2 a nonrefundable individual income tax credit for certain amounts of mileage
3 reimbursement received by volunteer drivers.

Analysis by the Legislative Reference Bureau

Generally, if a volunteer driver for a charitable organization is reimbursed for his or her mileage expenses, the volunteer must, under current federal law, claim the amount of the reimbursement as taxable income. Also under current federal law, the volunteer may claim an income tax charitable deduction for his or her mileage expenses at the current statutory mileage rate of 14 cents per mile. In general, Wisconsin conforms to these federal laws.

This bill creates a nonrefundable individual income tax credit that may be claimed by a volunteer driver for a charitable organization. Under the bill, a claimant may claim 6.5 percent of the amount of mileage reimbursement that he or she receives for mileage expenses incurred as a volunteer driver, to the extent that the individual does not claim the reimbursed amount as a tax deductible charitable contribution under the Internal Revenue Code.

Because the credit is nonrefundable, it may be claimed only up to the amount of a claimant's income tax liability. For claimants who are nonresidents or part-year residents of Wisconsin, the credit that may be claimed is prorated based on the ratio of the claimant's Wisconsin adjusted gross income (AGI) to federal AGI.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.07 (6f) of the statutes is created to read:

2 71.07 (6f) VOLUNTEER DRIVER MILEAGE REIMBURSEMENT TAX CREDIT. (a)

3 *Definitions.* In this subsection:

4 1. “Charitable organization” has the meaning given in s. 29.89 (1).

5 2. “Claimant” means an individual who is a volunteer driver for a charitable
6 organization who claims a credit under this subsection.

7 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
8 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
9 amount of those taxes, 6.5 percent of the amount of mileage reimbursement received
10 by the claimant for his or her mileage expenses incurred as a volunteer driver for a
11 charitable organization in the taxable year to which the claim under this subsection
12 relates.

13 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
14 is claimed within the time period under s. 71.75 (2).

15 2. No credit may be allowed under this subsection for any amount of
16 reimbursement that the claimant claims as a deductible charitable contribution
17 under 26 USC 170.

18 3. For a claimant who is a nonresident or part-year resident of this state and
19 who is a single person or a married person filing a separate return, multiply the
20 credit for which the claimant is eligible under par. (b) by a fraction the numerator of
21 which is the individual’s Wisconsin adjusted gross income and the denominator of

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1 which is the individual's federal adjusted gross income. If a claimant is married and
2 files a joint return, and if the claimant or the claimant's spouse, or both, are
3 nonresidents or part-year residents of this state, multiply the credit for which the
4 claimant is eligible under par. (b) by a fraction the numerator of which is the couple's
5 joint Wisconsin adjusted gross income and the denominator of which is the couple's
6 joint federal adjusted gross income.

7 (d) *Administration.* Subsection (9e) (d), to the extent that it applies to the credit
8 under that subsection, applies to the credit under this subsection.

9 **SECTION 2.** 71.10 (4) (ce) of the statutes is created to read:

10 71.10 (4) (ce) The volunteer driver mileage reimbursement tax credit under s.
11 71.07 (6f).

12 **SECTION 3. Initial applicability.**

13 (1) This act first applies to taxable years beginning on January 1 of the year
14 in which this subsection takes effect, except that if this subsection takes effect after
15 July 31 this act first applies to taxable years beginning on January 1 of the year
16 following the year in which this subsection takes effect.

17 (END)