



## 2013 ASSEMBLY BILL 914

April 3, 2014 - Introduced by Representative RIEMER. Referred to Committee on Ways and Means.

1     **AN ACT** *to amend* 71.08 (1) (intro.) and 71.10 (4) (i); and *to create* 20.835 (2) (cb)  
2             and 71.07 (8m) of the statutes; **relating to:** creating a refundable individual  
3             income tax credit for low-income individuals who receive certain government  
4             benefits and making an appropriation.

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### *Analysis by the Legislative Reference Bureau*

This bill creates a refundable individual income tax credit for individuals who are at least 18 years old and not claimed as a dependent on another individual's federal income tax return. To be eligible to claim the credit, the claimant must have received either social security retirement benefits, social security disability insurance benefits, or supplemental security income (collectively, benefit payments) in the taxable year to which the claim relates. If the claimant is married, his or her spouse must also be at least 18 years old.

The amount of the credit that may be claimed each year is the difference between 101 percent of the federal poverty line for a family the size of the claimant's family, and the sum of benefit payments, Wisconsin adjusted gross income, and the dollar value of food stamp benefits, all received by the claimant or by the claimant and his or her spouse, in the taxable year to which the claim relates, except that the sum of these amounts must be positive for a claimant to be able to claim the credit. Because the credit is refundable, if the amount of the credit for which the claimant is eligible exceeds his or her tax liability, the difference will be refunded to the claimant by check.

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

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

1           **SECTION 1.** 20.835 (2) (cb) of the statutes is created to read:

2           20.835 (2) (cb) *Senior security credit.* A sum sufficient to pay the claims  
3 approved under s. 71.07 (8m).

4           **SECTION 2.** 71.07 (8m) of the statutes is created to read:

5           71.07 (8m) SENIOR SECURITY CREDIT. (a) *Definitions.* In this subsection:

6           1. "Benefit payment" means any of the following received by a claimant in the  
7 year to which the claim relates:

8           a. Social security benefits, as described in 26 USC 86 (d).

9           b. Social security disability insurance benefits under 42 USC ch. 7 subch. II.

10           c. Supplemental security income under 42 USC 1381 to 1383c.

11           2. "Claimant" means an individual who is eligible for, and claims a credit under  
12 this subsection.

13           3. "Poverty line" has the meaning given in s. 49.001 (5).

14           4. "Total income" means the sum of all of the following received by a claimant  
15 and the claimant's spouse, in the taxable year to which the claim relates:

16           a. Adjusted gross income.

17           b. Social security benefits, to the extent they are not already included in the  
18 calculation of federal gross income, as described in 26 USC 86.

19           c. Social security disability insurance under 42 USC 401 to 433.

20           d. Supplemental security income under 42 USC 1381 to 1383c.

21           e. The dollar value of food stamp benefits under 7 USC 2011 to 2036.

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1           (b) *Filing claims.* Subject to the limitations and conditions provided in this  
2 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02  
3 or 71.08 an amount equal to the difference between 101 percent of the poverty line  
4 for a family the size of the claimant's family and total income, to the extent that such  
5 an amount is a positive number, and if the allowable amount of the claim exceeds the  
6 income taxes otherwise due on the claimant's income, the amount of the claim not  
7 used as an offset against those taxes shall be certified by the department of revenue  
8 to the department of administration for payment to the claimant by check, share  
9 draft, or other draft drawn from the appropriation account under s. 20.835 (2) (cb).

10           (c) *Limitations and conditions.* 1. To be eligible to file a claim under this  
11 subsection, all of the following must apply to a claimant:

12           a. He or she is at least 18 years old for the entire year to which the claim relates.

13           b. He or she received a benefit payment.

14           c. He or she has not been claimed as a dependent for federal income tax  
15 purposes by another individual for the taxable year to which the claim relates.

16           d. If he or she is married, his or her spouse is at least 18 years old for the entire  
17 year to which the claim relates.

18           2. No credit may be claimed under this subsection by a part-year resident or  
19 a nonresident of this state.

20           3. No credit may be allowed under this subsection unless it is claimed within  
21 the time period under s. 71.75 (2).

22           4. No credit may be allowed under this subsection for a taxable year covering  
23 a period of less than 12 months, except for a taxable year closed by reason of the death  
24 of the taxpayer.

**ASSEMBLY BILL 914****SECTION 2**

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

3 **SECTION 3.** 71.08 (1) (intro.) of the statutes, as affected by 2013 Wisconsin Act  
4 62, is amended to read:

5 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
6 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
7 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),  
8 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (6), (6e), (8m),  
9 (8r), (9e), and (9m), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),  
10 (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3),  
11 (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other  
12 states under s. 71.07 (7), is less than the tax under this section, there is imposed on  
13 that natural person, married couple filing jointly, trust or estate, instead of the tax  
14 under s. 71.02, an alternative minimum tax computed as follows:

15 **SECTION 4.** 71.10 (4) (i) of the statutes is amended to read:

16 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
17 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
18 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
19 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.  
20 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
21 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
22 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
23 71.07 (3rn), film production services credit under s. 71.07 (5f), film production  
24 company investment credit under s. 71.07 (5h), senior security credit under s. 71.07  
25 (8m), veterans and surviving spouses property tax credit under s. 71.07 (6e),

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1 enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and farm asset  
2 owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e),  
3 estimated tax payments under s. 71.09, and taxes withheld under subch. X.

4 **SECTION 5. Initial applicability.**

5 (1) This act first applies to taxable years beginning on January 1 of the year  
6 in which this subsection takes effect, except that if this subsection takes effect after  
7 July 31 this act first applies to taxable years beginning on January 1 of the year  
8 following the year in which this subsection takes effect.

9 (END)