



## 2021 ASSEMBLY BILL 519

August 31, 2021 - Introduced by Representatives KRUG, TUSLER and HORLACHER,  
cosponsored by Senator BALLWEG. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 71.05 (1) (an) of the statutes; **relating to:** exempting from  
2           taxation certain pension payments received by an individual for service in the  
3           U.S. Foreign Service.

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### *Analysis by the Legislative Reference Bureau*

This bill exempts from taxation all retirement payments received from the federal government that relate to service with the U.S. Foreign Service, provided that such payments are not already exempt from taxation. Currently, the pension benefits of certain public employees are exempt from state taxation. The pensions that are exempt include payments received from the U.S. Civil Service Retirement System, the U.S. military employee retirement system, the Milwaukee city and county retirement systems, the Milwaukee public school teachers' retirement fund, the Wisconsin state teachers' retirement fund, and the sheriff's annuity and benefit fund of Milwaukee County. For most of these pension plans, the exemption applies only to persons who were members of or retired from the plans as of December 31, 1963, although this limitation does not apply to retirement payments received from the U.S. military employee retirement system or from payments received from the federal government that relate to service with the U.S. Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, or the commissioned corps of the U.S. Public Health Service. Similarly, the limitation does not apply to the exemption created in this bill for the Foreign Service Pension System.

