



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-3934/1
KP:amn

2023 ASSEMBLY BILL 471

October 11, 2023 - Introduced by Representatives BARE, RIEMER, C. ANDERSON, J. ANDERSON, BALDEH, CABRERA, CONLEY, CONSIDINE, JACOBSON, JOERS, MOORE OMOKUNDE, MYERS, OHNSTAD, ORTIZ-VELEZ, PALMERI, SHANKLAND, SINICKI, HAYWOOD and CLANCY, cosponsored by Senators ROYS, L. JOHNSON, AGARD, HESSELBEIN, LARSON, PFAFF, SPREITZER and WIRCH. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.07 (9e) (aj) (intro.) and 73.03 (73) (f) 1.; and **to create** 71.07
2 (9e) (ak) of the statutes; **relating to:** increasing the earned income tax credit
3 for claimants with fewer than three children.

Analysis by the Legislative Reference Bureau

This bill increases the amount that an individual with fewer than three qualifying children may claim as the Wisconsin earned income tax credit. Under current law, the Wisconsin EITC is equal to a percentage of the federal EITC. The percentage is 4 percent of the federal EITC if the individual has one qualifying child, 11 percent if the individual has two qualifying children, and 34 percent if the individual has three or more qualifying children. The credit is refundable, which means that if the credit exceeds the individual's tax liability, he or she will receive the excess as a refund check.

Under the bill, the percentage of the federal EITC that an eligible individual may claim for Wisconsin purposes is 16 percent if the individual has one qualifying child, 25 percent if the individual has two qualifying children, and 34 percent if the individual has three or more qualifying children.

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:

ASSEMBLY BILL 471**SECTION 1**

1 **SECTION 1.** 71.07 (9e) (aj) (intro.) of the statutes is amended to read:

2 71.07 **(9e)** (aj) (intro.) For taxable years beginning after December 31, 2010,
3 and before January 1, 2023, an individual may credit against the tax imposed under
4 s. 71.02 an amount equal to one of the following percentages of the federal basic
5 earned income credit for which the person is eligible for the taxable year under
6 section 32 of the Internal Revenue Code:

7 **SECTION 2.** 71.07 (9e) (ak) of the statutes is created to read:

8 71.07 **(9e)** (ak) For taxable years beginning after December 31, 2022, an
9 individual may credit against the tax imposed under s. 71.02 an amount equal to one
10 of the following percentages of the federal basic earned income credit for which the
11 individual is eligible for the taxable year under section 32 of the Internal Revenue
12 Code:

13 1. If the individual has one qualifying child who has the same principal place
14 of abode as the individual, 16 percent.

15 2. If the individual has 2 qualifying children who have the same principal place
16 of abode as the individual, 25 percent.

17 3. If the individual has 3 or more qualifying children who have the same
18 principal place of abode as the individual, 34 percent.

19 **SECTION 3.** 73.03 (73) (f) 1. of the statutes is amended to read:

20 73.03 **(73)** (f) 1. Subject to subd. 2., for taxable years beginning after December
21 31, 2020, the department shall make the pilot program described under par. (b)
22 permanent and applicable to all eligible claimants of the earned income tax credit
23 under s. 71.07 (9e) (aj), based on the specifications described under pars. (b) and (c)
24 2.

25

(END)