

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **09/28/1999**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 7-7417**

By/Representing: **Doty**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income
Tax Credits (inc) - homestead**

Extra Copies:

Pre Topic:

LFB:.....Doty -

Topic:

Individual income tax changes, homestead credit, school property tax rent credit

Instructions:

Keep JCF language on indiv. income taxes except: 1) Keep the working families tax credit; 2) Make the changes to the itemized deductions credit as done by the ARC in b1193/1; 3) Make changes to the homestead credit as done by the SDC in b1277/2

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 09/29/1999	gilfokm 09/29/1999		_____			
/1			hhagen 09/29/1999	_____	lrb_docadmin 09/30/1999		
/2	shoveme 10/02/1999	gilfokm 10/02/1999	mclark 10/03/1999	_____	lrb_docadmin 10/03/1999		

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 09/28/1999

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 7-7417**

By/Representing: **Doty**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income
Tax Credits (inc) - homestead**

Extra Copies:

Pre Topic:

LFB:.....Doty -

Topic:

Individual income tax changes, homestead credit

Instructions:

Keep JCF language on indiv. income taxes except: 1) Keep the working families tax credit; 2) Make the changes to the itemized deductions credit as done by the ARC in b1193/1; 3) Make changes to the homestead credit as done by the SDC in b1277/2

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 09/29/1999	gilfokm 09/29/1999		_____			
/1		<i>10-10-299</i> <i>hong</i>	hhagen 09/29/1999	_____	lrb_docadmin 09/30/1999		
FE Sent For:			<i>MRC</i>	<i>MRC/KSF</i>			
			<i>10/3</i>	<i>10/3</i>			<i><END></i>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 09/28/1999

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 7-7417**

By/Representing: **Doty**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income
Tax Credits (inc) - homestead**

Extra Copies:

Pre Topic:

LFB:.....Doty -

Topic:

Individual income tax changes, homestead credit

Instructions:

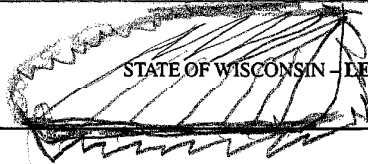
Keep JCF language on indiv. income taxes except: 1) Keep the working families tax credit; 2) Make the changes to the itemized deductions credit as done by the ARC in b1193/1; 3) Make changes to the homestead credit as done by the SDC in b1277/2

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	shoveme	1-9-29-99 KMG	9/29	9/29			
<i>LINES 9/29/99</i>							

FE Sent For:

<END>



Assembly income tax package - -

b1193/JFC w/ ^{Assembly} changes to itemized deduction, etc
- home office, travel exemptions

Keep working families credit (gov. eliminated it)

Homestead - do senate homestead
b 1277/2 - only homestead part

~~b0663 in~~
~~b0668/3~~

1/29/99 INSTRUCTIONS
from
Kelsie
Doty



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1870/1
MES...

RMNR

LFB:.....Doty - Individual income tax changes, homestead credit

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

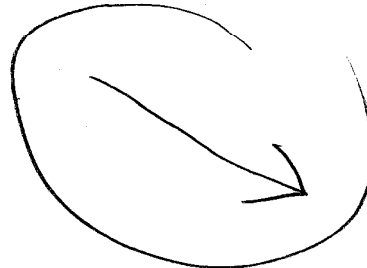
today

1 At the locations indicated, amend the substitute amendment as follows:

2 *Ins. 1.*

- 1. Page 849, line 18: delete lines 18 to 20.

~~AND~~



*71.09
Committee
71.64
(9/16)
(Intro.)*



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1277/2
MES:cmh&wlj:ksh

SDC:.....Walter - Yank Gov, JCF individual income tax plan; increase homestead credit and SPTC for renters

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

Ed, wPO:
GO to
p. 4

- 1 At the locations indicated, amend the substitute amendment as follows:
- 2 1. Page 822, line 12: delete lines 12 to 21.
- 3 2. Page 836, line 1: delete lines 1 to 7.
- 4 3. Page 836, line 9: delete "~~and thereafter to 1999~~" and substitute "*and*
- 5 *thereafter*".
- 6 4. Page 836, line 10: delete "~~on or after January 1, 1994~~ after" and substitute
- 7 "on or after January 1, 1994".
- 8 5. Page 836, line 11: delete that line and substitute ", the Wisconsin standard
- 9 deduction".

1 **6.** Page 837, line 20: delete the material beginning with that line and ending
2 with page 838, line 24.

3 **7.** Page 839, line 2: delete “2000” and substitute “2001”.

4 **8.** Page 839, line 18: on lines 18 and 19, delete “(dp)” and substitute “(dm)”.

5 **9.** Page 840, line 5: delete the material beginning with that line and ending
6 with page 847, line 6, and substitute:

7 “**SECTION 1703e.** 71.06 (2e) of the statutes is amended to read:

8 71.06 (2e) BRACKET INDEXING. For taxable years beginning after December 31,
9 1998, the maximum dollar amount in each tax bracket, and the corresponding
10 minimum dollar amount in the next bracket, under subs. (1m) and (2) (c) and (d) shall
11 be increased each year by a percentage equal to the percentage change between the
12 U.S. consumer price index for all urban consumers, U.S. city average, for the month
13 of August of the previous year and the U.S. consumer price index for all urban
14 consumers, U.S. city average, for the month of August of the year before the previous
15 year 1997, as determined by the federal department of labor. Each amount that is
16 revised under this subsection shall be rounded to the nearest multiple of \$10 if the
17 revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5,
18 such an amount shall be increased to the next higher multiple of \$10. The
19 department of revenue shall annually adjust the changes in dollar amounts required
20 under this subsection and incorporate the changes into the income tax forms and
21 instructions.”.

22 **10.** Page 849, line 8: delete lines 8 to 13.

23 **11.** Page 849, line 18: delete the material beginning with that line and ending
24 with page 850, line 9, and substitute:

1 **SECTION 1716p.** 71.07 (9) (a) 4. of the statutes is amended to read:

2 71.07 (9) (a) 4. "Rent constituting property taxes" means, in taxable years
3 beginning before January 1, 2000, 25% of rent if heat is not included, or 20% of rent
4 if heat is included, paid during the taxable year for which credit is claimed under this
5 subsection, at arm's length, for the use of a principal dwelling and contiguous land,
6 excluding any payment for domestic, food, medical or other services which are
7 unrelated to use of the dwelling as housing, less any rent paid that is properly
8 includable as a trade or business expense under the internal revenue code. "Rent"
9 includes space rental paid to a landlord for parking a mobile home. Rent shall be
10 apportioned among the occupants of a principal dwelling according to their
11 respective contribution to the total amount of rent paid. "Rent" does not include rent
12 paid for the use of housing which was exempt from property taxation, except housing
13 for which payments in lieu of taxes were made under s. 66.40 (22).

14 **SECTION 1716q.** 71.07 (9) (a) 5. of the statutes is created to read:

15 71.07 (9) (a) 5. "Rent constituting property taxes" means, in taxable years
16 beginning after December 31, 1999, 35% of rent if heat is not included, or 30% of rent
17 if heat is included, paid during the taxable year for which credit is claimed under this
18 subsection, at arm's length, for the use of a principal dwelling and contiguous land,
19 excluding any payment for domestic, food, medical or other services which are
20 unrelated to use of the dwelling as housing, less any rent paid that is properly
21 includable as a trade or business expense under the Internal Revenue Code. "Rent"
22 includes space rental paid to a landlord for parking a mobile home. Rent shall be
23 apportioned among the occupants of a principal dwelling according to their
24 respective contribution to the total amount of rent paid. "Rent" does not include rent

1 paid for the use of housing which was exempt from property taxation, except housing
2 for which payments in lieu of taxes were made under s. 66.40 (22).

3 **SECTION 1716r.** 71.07 (9) (b) 1. of the statutes is amended to read:

4 **71.07 (9) (b) 1.** Subject For taxable years beginning before January 1, 1998, and
5 for taxable years beginning after December 31, 1998 and before January 1, 2000,
6 subject to the limitations under this subsection and except as provided in subd. 2.,
7 a claimant may claim as a credit against, but not to exceed the amount of, taxes under
8 s. 71.02, 10% of the first \$2,000 of property taxes or rent constituting property taxes,
9 or 10% of the first \$1,000 of property taxes or rent constituting property taxes of a
10 married person filing separately.

11 **SECTION 1716s.** 71.07 (9) (b) 3. of the statutes is created to read:

12 **71.07 (9) (b) 3.** For taxable years beginning after December 31, 1999, subject
13 to the limitations under this subsection, a claimant may claim as a credit against,
14 but not to exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of
15 property taxes or 14.1% of the first \$2,000 of rent constituting property taxes, or 10%
16 of the first \$1,000 of property taxes or 14.1% of the first \$1,000 of rent constituting
17 property taxes of a married person filing separately.”

18 **12.** Page 851, line 17: delete the material beginning with that line and ending
19 with page 852, line 2.

20 ~~**13.** Page 853, line 9: delete lines 9 to 13.~~

text: treat

21 ✓ **14.** Page 945, line 2: delete that line and substitute: “71.54 (1) (e) 2000. The
22 amount of any claim filed in 2000”.

23 ✓ **15.** Page 945, line 3: delete “thereafter”.

24 ✓ **16.** Page 945, line 13: after that line insert:

ARC:.....Kratochwill - Am #312-6, Individual income tax, miscellaneous
itemized deductions; home office expenses

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

INS. 1

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 849, line 13: after "labor union" insert ", to travel expenses or to home
3 office expenses".

4

END
DM

Shovers, Marc

From: Reinhardt, Rob
Sent: Saturday, October 02, 1999 12:33 PM
To: Shovers, Marc
Subject: PTRC and Homestead Draft

Good afternoon Marc,

I think we have final drafting instructions for PTRC and HTC:

PTRC

On a one-time basis in tax year 2000, set the credit percentage at 6.4%; leave all of the other parameters the same (\$2,000 max, etc). Eliminate the credit in 2001 and thereafter. Kelsie also wanted me to remind you to incorporate the DOA technical regarding past years.

Homestead

Beginning with claims filed in 2001 (for tax year 2000), increase the maximum income amount to \$24,⁵⁰⁰~~000~~ and decrease the phase-out rate accordingly to ^{8.8%}~~9.0625%~~. Unlike the PTRC, this is a permanent change to the program. Everything else (maximum property taxes, etc) stays the same.

I'll be here for most of the afternoon and sometime tomorrow. Otherwise I can be reached at home at 257-9236.

Thanks,

Rob

Shovers, Marc

From: Reinhardt, Rob
Sent: Saturday, October 02, 1999 2:14 PM
To: Shovers, Marc
Subject: Homestead Draft

Marc,

Sorry, I goofed.

The homestead income maximum amount should be \$24,500, not \$24,000; the phase-out rate should be 8.788%.

Please let me know that you got this. Thanks a lot.

Rob

$$\text{slope} = \frac{\text{max prop taxes}}{\text{max income} - \text{threshold}}$$

$$\text{slope} = \frac{1,450}{24,500 - 8,000}$$

$$\text{slope} = \frac{1,450}{16,500}$$

$$\text{slope} = .0878787$$

$$\text{or } 8.788\%$$



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1870/1
MES:kmg:kjh

PMR

LFB:.....Doty - Individual income tax changes, homestead credit¹¹

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

school property tax
rent credit

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 849, line 13: after "labor union" insert ", to travel expenses or to home
3 office expenses".

4 2. Page 849, line 18: delete lines 18 to 20.

5 3. Page 945, line 2: delete that line and substitute:
6 "71.54 (1) (e) 2000. The amount of any claim filed in 2000".

7 4. Page 945, line 3: delete "thereafter".

8 5. Page 945, line 13: after that line insert:

9 "SECTION 1763c. 71.54 (1) (f) of the statutes is created to read:

INS
15

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1870/2ins
MES:kmg:hmh

FNS. 1-5

1 ✓ 1. Page 850, line 6: after that line insert:

2 "SECTION 1716m. 71.07 (9) (b) 1. of the statutes is amended to read:

3 71.07 (9) (b) 1. Subject to the limitations under this subsection and except as
4 provided in ~~subd. 2. and 3.~~ ^{subds.}, a claimant may claim as a credit against, but not to
5 exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of property taxes
6 or rent constituting property taxes, or 10% of the first \$1,000 of property taxes or rent
7 constituting property taxes of a married person filing separately.

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5.

8 **SECTION 1716p. 71.07 (9) (b) 3. of the statutes is created to read:**

9 71.07 (9) (b) 3. For taxable years beginning after December 31, 1999, and before
10 January 1, 2001, subject to the limitations under this subsection, a claimant may
11 claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, 6.4%
12 of the first \$2,000 of property taxes or rent constituting property taxes, or 6.4% of the
13 first \$1,000 of property taxes or rent constituting property taxes of a married person
14 filing separately."

15 ✓ 2. Page 850, line 9: delete "1999" and substitute "2000".



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1870/2
MES:kmg:mrc

LFB:.....Doty - Individual income tax changes, homestead credit, school property tax rent credit

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 849, line 13: after "labor union" insert ", to travel expenses or to home
3 office expenses".

4 **2.** Page 849, line 18: delete lines 18 to 20.

5 **3.** Page 850, line 6: after that line insert:

6 "SECTION 1716m. 71.07 (9) (b) 1. of the statutes is amended to read:

7 71.07 (9) (b) 1. Subject to the limitations under this subsection and except as
8 provided in subd. 2. and 3., a claimant may claim as a credit against, but not
9 to exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of property taxes

1 or rent constituting property taxes, or 10% of the first \$1,000 of property taxes or rent
2 constituting property taxes of a married person filing separately.

3 **SECTION 1716p.** 71.07 (9) (b) 3. of the statutes is created to read:

4 71.07 (9) (b) 3. For taxable years beginning after December 31, 1999, and before
5 January 1, 2001, subject to the limitations under this subsection, a claimant may
6 claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, 6.4%
7 of the first \$2,000 of property taxes or rent constituting property taxes, or 6.4% of the
8 first \$1,000 of property taxes or rent constituting property taxes of a married person
9 filing separately.”.

10 **4.** Page 850, line 9: delete “1999” and substitute “2000”.

11 **5.** Page 945, line 2: delete that line and substitute:

12 “71.54 (1) (e) 2000. The amount of any claim filed in 2000”.

13 **6.** Page 945, line 3: delete “thereafter”.

14 **7.** Page 945, line 13: after that line insert:

15 “**SECTION 1763c.** 71.54 (1) (f) of the statutes is created to read:

16 71.54 (1) (f) 2001 and thereafter. The amount of any claim filed in 2001 and
17 thereafter and based on property taxes accrued or rent constituting property taxes
18 accrued during the previous year is limited as follows:

19 1. If the household income was \$8,000 or less in the year to which the claim
20 relates, the claim is limited to 80% of the property taxes accrued or rent constituting
21 property taxes accrued or both in that year on the claimant’s homestead.

22 2. If the household income was more than \$8,000 in the year to which the claim
23 relates, the claim is limited to 80% of the amount by which the property taxes accrued

1 or rent constituting property taxes accrued or both in that year on the claimant's
2 homestead exceeds 8.788% of the household income exceeding \$8,000.

3 3. No credit may be allowed if the household income of a claimant exceeds
4 \$24,500.”.

5 **8.** Page 946, line 16: delete “, subject to s. 71.07 (5m) (e)”.

6 (END)