

**2013 DRAFTING REQUEST**

**Bill**

Received: **1/2/2013** Received By: **mshovers**  
 Wanted: **As time permits** Same as LRB:  
 For: **Scott Fitzgerald (608) 266-5660** By/Representing: **Tad**  
 May Contact: **Chad Brown @ Leg. Council, DOR, and DVA** Drafter: **mshovers**  
 Addl. Drafters:  
 Subject: **Tax, Individual - income** Extra Copies:

Submit via email: **YES**  
 Requester's email: **Sen.Fitzgerald@legis.wisconsin.gov**  
 Carbon copy (CC) to:

**Pre Topic:**

No specific pre topic given

**Topic:**

Waive tax liability for military pay for active duty military killed in a combat zone

**Instructions:**

See attached

**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>
/?	mshovers 1/8/2013	evinz 1/9/2013	jfrantze 1/9/2013	_____			
/1	mshovers 2/26/2013			_____	srose 1/9/2013		State Tax
/2		evinz 2/27/2013	rschluet 2/27/2013	_____	mbarman 3/21/2013	mbarman 3/22/2013	State Tax

FE Sent For:



At  
Intro.

<END>

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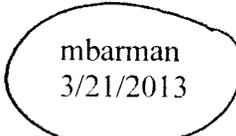
Waive tax liability for military pay for active duty military killed in a combat zone

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→ re-submitted (e-mail) (see attached)

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12	MES	2/26/13		_____			
FE Sent For:		12 evv 2/22/13		_____			

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1/? mshovers

1/1 NES 1/8/13 1 recv 1/9/13

1/9/13

FE Sent For:

<END>

Tad

Fitzgerald

miles in combat zone

waive / forgive liability for  
military pay for anyone  
killed in a combat zone

Chad Brown  
can talk to Dept of  
Vets Affairs +  
DOR

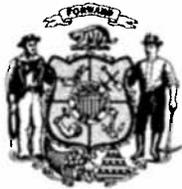
**Subject:** Definition of military or naval forces and armed forces of the United States

From 26 USC 7701 (a) (15)

**(15) Military or naval forces and armed forces of the United States**

The term "military or naval forces of the United States" and the term "Armed Forces of the United States" each includes all regular and reserve components of the uniformed services which are subject to the jurisdiction of the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, and each term also includes the Coast Guard. The members of such forces include commissioned officers and personnel below the grade of commissioned officers in such forces.

<http://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleF-chap79-sec7701.pdf>



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1000/?

MESQ: *JMR*  
*EV*

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

*SOON*

*SAV  
xref N/A*

*gln*

1 AN ACT ...; **relating to:** creating an individual income tax exemption for military  
2 income received by active duty members of the U.S. armed forces who are killed  
3 in a combat zone.

***Analysis by the Legislative Reference Bureau***

For taxable years beginning after December 31, 2012, this bill exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. armed forces and who is killed in a combat zone. The exemption applies to income received by the individual in the year in which he or she is killed, and in the year before that year if the individual has not filed a return for that prior year.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:***

4 SECTION 1. 71.05 (6) (b) 48. of the statutes is <sup>✓</sup> created to read: <sup>✓</sup>



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1000/?dn

MES. 2/1/00

*Heev*

*date*

Senator Fitzgerald:

Please review this draft carefully to ensure that it is consistent with your intent. I drafted the exemption as I did to cover the situation where a member of the armed forces may be killed in March, for example, and he or she has not filed his return for the previous year as the return is not due until approximately April 15th of the year in which he or she is killed. As drafted, the subtract modification would apply to income received by the individual in the year in which he or she is killed and the prior year. Please let me know if the draft does not meet your intent. In addition, you may want to have the Department of Military Affairs review the bill to ensure that the terminology I've used is accurate.

*AMZ*

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

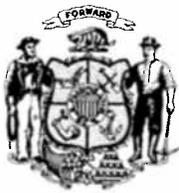
LRB-1000/1dn  
MES:eev:jf

January 9, 2013

Senator Fitzgerald:

Please review this draft carefully to ensure that it is consistent with your intent. I drafted the exemption as I did to cover the situation where a member of the armed forces may be killed in March, for example, and he or she has not filed his return for the previous year as the return is not due until approximately April 15th of the year in which he or she is killed. As drafted, the subtract modification would apply to income received by the individual in the year in which he or she is killed and the prior year. Please let me know if the draft does not meet your intent. In addition, you may want to have the Department of Military Affairs review the bill to ensure that the terminology I've used is accurate.

Marc E. Shovers  
Managing Attorney  
Phone: (608) 266-0129  
E-mail: [marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)



Stays  
fmr

2013 BILL

500M

copy

1 AN ACT *to create* 71.05 (6) (b) 48. of the statutes; **relating to:** creating an  
2 individual income tax exemption for military income received by active duty  
3 members of the U.S. armed forces who ~~are killed~~ <sup>die</sup> in a combat zone.

**Analysis by the Legislative Reference Bureau**

For taxable years beginning after December 31, 2012, this bill exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. armed forces and who ~~is killed~~ <sup>dies</sup> in a combat zone. The exemption applies to income received by the individual in the year in which he or she ~~is killed~~ <sup>dies</sup> and in the year before that year if the individual has not filed a return for that prior year.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:*

4 SECTION 1. 71.05 (6) (b) 48. of the statutes is created to read:

**BILL**

1           71.05 (6) (b) 48. For taxable years that begin after December 31, 2012, any  
2 amount of basic, special, or incentive pay income, as those terms are used in 37 USC  
3 chapters 3 and 5, received from the federal government by an individual who is on  
4 active duty in the U.S. armed forces, as defined in 26 USC 7701 (a) (15), and who ~~is~~ <sup>dies</sup>  
5 ~~is~~ <sup>dies</sup> in a combat zone. The subtraction in this subdivision applies to the basic,  
6 special, or incentive pay income that is received by the individual in the year in which  
7 he or she ~~is killed~~ <sup>dies</sup>, and in the year immediately preceding that year if the individual  
8 has not filed a return for the year before the year in which he or she ~~is killed~~ <sup>dies</sup>

(END)

## Barman, Mike

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**From:** Shovers, Marc  
**Sent:** Thursday, March 21, 2013 10:35 AM  
**To:** Barman, Mike  
**Subject:** LRB -1000/2

Hi Mike:

Tad from Sen. Fitzgerald's office called. He said he lost the email with the jacketing instructions, and asked if we could resend that email to him. Thanks.

Marc

**Parisi, Lori**

---

**From:** Ottman, Tad  
**Sent:** Thursday, March 21, 2013 3:36 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -1000/2 Topic: Waive tax liability for military pay for active duty military killed in a combat zone

Please Jacket LRB -1000/2 for the SENATE.