

STATE OF WISCONSIN

REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS

2015 SENATE BILL 255

[Introduced by Senators Marklein and Stroebel; cosponsored by Representatives, Ripp, Kooyenga, E. Brooks, Murphy, Jarchow, Brandtjen, Knodl, Neylon, and Thiesfeldt.]

General Nature of the Proposal

Current law provides a state income tax deduction for legislators' per diem reimbursements, provided that the legislator who receives the per diem reimbursement does not claim a separate deduction for "travel away from home" on legislative days. Under current federal law, legislators who live more than 50 miles from the State Capitol are eligible to claim the latter deduction for "travel away from home." Under the current state tax code, an election to take the federal deduction for "travel away from home" also carries over to calculation of state tax liability.

Senate Bill 255 specifies that the state income tax deduction for legislators' per diem reimbursements may not be claimed in a taxable year beginning after December 31, 2015. Senate Bill 255 does not affect the eligibility of legislators to claim the deduction for "travel away from home" under federal or state law.

Legality Involved

There are no issues of legality involved.

Fiscal Effect Upon the State and Its Subdivisions

The Department of Revenue estimates the bill will have a minimal effect to increase revenue, beginning in fiscal year 2017.

Public Policy Involved

The Joint Survey Committee on Tax Exemptions finds that the tax change in 2015 Senate Bill 255 is appropriate public policy.

10/22/15

JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS