



State of Wisconsin
2015 - 2016 LEGISLATURE

LRBb0766/1
MES:jld/ahe/amn

**SENATE AMENDMENT 24,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 21**

July 7, 2015 - Offered by Senators HANSEN, ERPENBACH, L. TAYLOR, RINGHAND,
HARRIS DODD, CARPENTER and SHILLING.

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

2 **1.** At the appropriate places, insert all of the following:

3 **“SECTION 1.** 20.835 (2) (cb) of the statutes is created to read:

4 20.835 (2) (cb) *Dependent children tax credit.* A sum sufficient to pay the claims
5 approved under s. 71.07 (8m).

6 **SECTION 2.** 71.07 (8m) of the statutes is created to read:

7 71.07 (8m) DEPENDENT CHILDREN TAX CREDIT. (a) *Definitions.* In this subsection:

8 1. “Child” means an individual who is under the age of 14 for any part of the
9 taxable year to which a claim under this subsection relates and who, for any part of
10 the taxable year to which a claim under this subsection relates, is enrolled either
11 with a child care provider that is certified as described under s. 48.651, or a child care
12 center that is licensed under s. 48.65.

1 2. “Child care expenses” has the meaning given for employment-related
2 expenses, as that term is used in s. 71.05 (6) (b) 43., to the extent that such expenses
3 are paid by a claimant in the year to which the claim relates, for expenses for the
4 claimant’s child to attend a dependent care center, as that term is used in 26 USC
5 21 (b) (2) (C) and (D).

6 3. “Claimant” means an individual who claims a child as a dependent under
7 section 151 (c) of the Internal Revenue Code on his or her tax return for the taxable
8 year to which a claim under this subsection relates.

9 4. “Household” has the meaning given in s. 71.52 (4).

10 5. “Household income” has the meaning given in s. 71.52 (5).

11 6. “Poverty level” means an amount of household income that is 400 percent or
12 less than the federal poverty line for a family the size of the person’s eligible family,
13 for the year to which the claim relates, as published in the Federal Register.

14 (b) *Filing claims.* Subject to the limitations and other provisions provided in
15 this subsection, a claimant may claim as a credit against the tax imposed under s.
16 71.02 or 71.08 an amount of up to \$250 per child in the year to which the claim relates
17 for child care expenses for the claimant’s child, and if the allowable amount of the
18 claim exceeds the income taxes otherwise due on the claimant’s income, the amount
19 of the claim not used as an offset against those taxes shall be certified by the
20 department of revenue to the department of administration for payment to the
21 claimant by check, share draft, or other draft drawn from the appropriation account
22 under s. 20.835 (2) (cb).

23 (c) *Limitations, provisions.* 1. The maximum credit that may be claimed under
24 this subsection by a claimant who files as a single individual or head of household
25 is \$250, for each child, in each year to which the claim relates.

1 2. The maximum credit that may be claimed under this subsection by claimants
2 who are a married couple and file a joint return is \$250, for each child, in each year
3 to which the claim relates.

4 3. The maximum credit that may be claimed under this subsection by each
5 spouse of a married couple that files separately is 50 percent of the amount described
6 in subd. 2.

7 4. No credit may be claimed under this subsection by a part-year resident or
8 a nonresident of this state.

9 5. No credit may be allowed under this subsection unless it is claimed within
10 the period specified in s. 71.75 (2).

11 6. No credit may be allowed under this subsection for a taxable year covering
12 a period of less than 12 months, except for a taxable year closed by reason of the death
13 of the taxpayer.

14 7. No credit may be claimed under this subsection by any claimant whose
15 household income in the year to which the claim relates exceeds the poverty level.

16 **SECTION 3.** 71.07 (9e) (af) (intro.) of the statutes is amended to read:

17 71.07 **(9e)** (af) (intro.) For taxable years beginning after December 31, 1995,
18 and before January 1, 2011, and for taxable years beginning after December 31, 2014,
19 any natural person may credit against the tax imposed under s. 71.02 an amount
20 equal to one of the following percentages of the federal basic earned income credit for
21 which the person is eligible for the taxable year under section 32 (b) (1) (A) to (C) of
22 the Internal Revenue Code:

23 **SECTION 4.** 71.07 (9e) (aj) (intro.) of the statutes is amended to read:

24 71.07 **(9e)** (aj) (intro.) For taxable years beginning after December 31, 2010,
25 and before January 1, 2015, an individual may credit against the tax imposed under

1 s. 71.02 an amount equal to one of the following percentages of the federal basic
2 earned income credit for which the person is eligible for the taxable year under
3 section 32 (b) (1) (A) to (C) of the Internal Revenue Code:

4 **SECTION 5.** 71.08 (1) (intro.) of the statutes is amended to read:

5 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
6 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
7 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),
8 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6),
9 (6e), (8m), (8r), (9e), (9m), and (9r), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx),
10 (1dy), (2m), (3), (3n), (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx),
11 (1dy), (2m), (3), (3n), (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and
12 payments to other states under s. 71.07 (7), is less than the tax under this section,
13 there is imposed on that natural person, married couple filing jointly, trust or estate,
14 instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

15 **SECTION 6.** 71.10 (4) (i) of the statutes is amended to read:

16 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
17 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
18 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
19 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
20 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
21 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
22 71.07 (3rm), food processing plant and food warehouse investment credit under s.
23 71.07 (3rn), film production services credit under s. 71.07 (5f), film production
24 company investment credit under s. 71.07 (5h), dependent children tax credit under
25 s. 71.07 (8m), veterans and surviving spouses property tax credit under s. 71.07 (6e),

1 enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and farm asset
2 owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e),
3 estimated tax payments under s. 71.09, and taxes withheld under subch. X.

4 **SECTION 7.** 71.54 (1) (g) (intro.) of the statutes is amended to read:

5 71.54 (1) (g) *2012 and thereafter to 2014.* (intro.) The amount of any claim filed
6 in 2012 ~~and thereafter~~ to 2014 and based on property taxes accrued or rent
7 constituting property taxes accrued during the previous year is limited as follows:

8 **SECTION 8.** 71.54 (1) (h) of the statutes is created to read:

9 71.54 (1) (h) *2015 and thereafter.* Subject to sub. (2m), the amount of any claim
10 filed in 2015 and thereafter and based on property taxes accrued or rent constituting
11 property taxes accrued during the previous year is limited as follows:

12 1. If the household income was \$8,060 or less in the year to which the claim
13 relates, the claim is limited to 80 percent of the property taxes accrued or rent
14 constituting property taxes accrued or both in that year on the claimant's homestead.

15 2. If the household income was more than \$8,060 in the year to which the claim
16 relates, the claim is limited to 80 percent of the amount by which the property taxes
17 accrued or rent constituting property taxes accrued or both in that year on the
18 claimant's homestead exceeds 8.785 percent of the household income exceeding
19 \$8,060.

20 3. No credit may be allowed if the household income of a claimant exceeds
21 \$24,680.

22 **SECTION 9.** 71.54 (2) (b) 4. of the statutes is amended to read:

23 71.54 (2) (b) 4. In calendar years 2011 ~~or any subsequent calendar year to 2013~~,
24 \$1,460.

25 **SECTION 10.** 71.54 (2) (b) 5. of the statutes is created to read:

1 71.54 (2) (b) 5. Subject to sub. (2m), in calendar year 2014 or any subsequent
2 calendar year, \$1,460.

3 **SECTION 11.** 71.54 (2m) of the statutes is amended to read:

4 71.54 (2m) INDEXING FOR INFLATION; ~~2010 2014 AND THEREAFTER.~~ (a) For calendar
5 years beginning after December 31, 2009, and before January 1, 2011 2013, the dollar
6 amounts of the threshold income under sub. (1) (~~f~~) (h) 1. and 2., the maximum
7 household income under sub. (1) (~~f~~) (h) 3. and the maximum property taxes under
8 sub. (2) (b) ~~3.~~ 5. shall be increased each year by a percentage equal to the percentage
9 change between the U.S. consumer price index for all urban consumers, U.S. city
10 average, for the 12-month average of the U.S. consumer price index for the month
11 of August of the year before the previous year through the month of July of the
12 previous year and the U.S. consumer price index for all urban consumers, U.S. city
13 average, for the 12-month average of the U.S. consumer price index for August 2007
14 through July 2008, as determined by the federal department of labor, except that the
15 adjustment may occur only if the percentage is a positive number. Each amount that
16 is revised under this paragraph 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 paragraph and incorporate the changes into the income tax forms and
21 instructions.

22 (b) The department of revenue shall annually adjust the slope under sub. (1)
23 (~~f~~) (h) 2. such that, as a claimant's income increases from the threshold income as
24 calculated under par. (a), to an amount that exceeds the maximum household income
25 as calculated under par. (a), the credit that may be claimed is reduced to \$0 and the

1 department of revenue shall incorporate the changes into the income tax forms and
2 instructions.

3 **SECTION 9337. Initial applicability; Revenue.**

4 (1) The treatment of sections 20.835 (2) (cb), 71.07 (8m), 71.08 (1) (intro), and
5 71.10 (4) (i) of the statutes first applies to taxable years beginning on January 1 of
6 the year in which this subsection takes effect, except that if this subsection takes
7 effect after July 31, this act first applies to taxable years beginning on January 1 of
8 the year following the year in which this subsection takes effect.”.

9 (END)