



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1192/P2  
MES:cjs

DOA:.....Quinn, BB0161 - Increase the earned income tax credit

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

***1. Increase the earned income tax credit***

Under this bill, for taxable years beginning after 2018, an individual who is eligible to claim the federal earned income tax credit may claim as a credit against Wisconsin taxes due 11 percent of the amount that the claimant may claim under the federal credit if the claimant has one qualifying child with the same principal place of abode, 14 percent if the claimant has two such qualifying children, and 34 percent if the claimant has three or more such qualifying children. Currently, the percentage of the federal credit that an individual may claim for Wisconsin purposes is 4 if the claimant has one qualifying child with the same principal place of abode, 11 if the claimant has two such qualifying children, and 34 if the claimant has three or more such qualifying children. The credit is refundable, which means that, if the amount of credit due the claimant exceeds his or her tax liability, the difference is refunded to the claimant by check.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

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

71.07 **(9e)** (aj) (intro.) For taxable years beginning after December 31, 2010, and before January 1, 2019, an individual may credit against the tax imposed under s. 71.02 an amount equal to one of the following percentages of the federal basic earned income credit for which the person is eligible for the taxable year under section **32** (b) (1) (A) to (C) of the Internal Revenue Code:

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

71.07 **(9e)** (ak) For taxable years beginning after December 31, 2018, an individual may credit against the tax imposed under s. 71.02 an amount equal to one of the following percentages of the federal basic earned income credit for which the individual is eligible for the taxable year under section **32** (b) (1) of the Internal Revenue Code:

1. If the individual has one qualifying child who has the same principal place of abode as the individual, 11 percent.
2. If the individual has 2 qualifying children who have the same principal place of abode as the individual, 14 percent.
3. If the individual has 3 or more qualifying children who have the same principal place of abode as the individual, 34 percent.

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

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

(END)