



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-1274/1  
MES:amn

## 2017 ASSEMBLY BILL 350

May 30, 2017 - Introduced by Representatives RIEMER, SPREITZER, ANDERSON, BERCEAU, BOWEN, BROSTOFF, CONSIDINE, GENRICH, GOYKE, HESSELBEIN, KESSLER, KOLSTE, MASON, MILROY, POPE, SARGENT, SHANKLAND, SINICKI, C. TAYLOR, VRUWINK, WACHS and ZEPNICK, cosponsored by Senators RINGHAND, CARPENTER, ERPENBACH, HANSEN, JOHNSON and WIRCH. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 71.54 (1) (g) (intro.), 71.54 (2) (b) 4. and 71.54 (2m); and **to**  
2           **create** 71.54 (1) (h) and 71.54 (2) (b) 5. of the statutes; **relating to:** increasing  
3           the maximum income, maximum property taxes, and threshold income under  
4           the homestead tax credit and indexing the credit for inflation.

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### *Analysis by the Legislative Reference Bureau*

Under this bill, for claims filed in 2018 and thereafter, the homestead tax credit maximum property taxes or rent constituting property taxes that a claimant may use in calculating his or her credit are increased from \$1,460 to \$1,976, the maximum income is increased from \$24,680 to \$33,389, and the threshold income is increased from \$8,000 to \$10,902. The maximum credit is also increased from \$1,168 to \$1,581.

Under the formula as calculated under the bill, as a claimant's income exceeds \$10,902, the credit is phased out until the credit equals zero when income exceeds \$33,389. Under this bill, using the formula in the bill (80 percent of the property taxes accrued or rent constituting property taxes accrued) for claimants whose household income is \$10,902 or less, the credit that may be claimed ranges from \$10 to \$1,581. Also under the bill, the homestead tax credit formula factors are all indexed for inflation for taxable year 2018 and beyond.

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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:*

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

2           71.54 (1) (g) ~~2012 and thereafter~~ to 2017. (intro.) The amount of any claim filed  
3 in 2012 ~~and thereafter~~ to 2017 and based on property taxes accrued or rent  
4 constituting property taxes accrued during the previous year is limited as follows:

5           **SECTION 2.** 71.54 (1) (h) of the statutes is created to read:

6           71.54 (1) (h) ~~2018 and thereafter~~. Subject to sub. (2m), the amount of any claim  
7 filed in 2018 and thereafter and based on property taxes accrued or rent constituting  
8 property taxes accrued during the previous year is limited as follows:

9           1. If the household income was \$10,902 or less in the year to which the claim  
10 relates, the claim is limited to 80 percent of the property taxes accrued or rent  
11 constituting property taxes accrued or both in that year on the claimant's homestead.

12           2. If the household income was more than \$10,902 in the year to which the claim  
13 relates, the claim is limited to 80 percent of the amount by which the property taxes  
14 accrued or rent constituting property taxes accrued or both in that year on the  
15 claimant's homestead exceeds 8.787 percent of the household income exceeding  
16 \$10,902.

17           3. No credit may be allowed if the household income of a claimant exceeds  
18 \$33,389.

19           **SECTION 3.** 71.54 (2) (b) 4. of the statutes is amended to read:

20           71.54 (2) (b) 4. In calendar years 2011 ~~or any subsequent calendar year~~ to 2016,  
21 \$1,460.

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1           **SECTION 4.** 71.54 (2) (b) 5. of the statutes is created to read:

2           71.54 **(2)** (b) 5. Subject to sub. (2m), in calendar year 2017 or any subsequent  
3           calendar year, \$1,976.

4           **SECTION 5.** 71.54 (2m) of the statutes is amended to read:

5           71.54 **(2m)** INDEXING FOR INFLATION; ~~2010 2018 AND THEREAFTER.~~ (a) For calendar  
6           years beginning after December 31, 2009, and before January 1, 2011 2017, the dollar  
7           amounts of the threshold income under sub. (1) (~~f~~) (h) 1. and 2., the maximum  
8           household income under sub. (1) (~~f~~) (h) 3., and the maximum property taxes under  
9           sub. (2) (b) ~~3.~~ 5. shall be increased each year by a percentage equal to the percentage  
10          change between the U.S. consumer price index for all urban consumers, U.S. city  
11          average, for the 12-month average of the U.S. consumer price index for the month  
12          of August of the year before the previous year through the month of July of the  
13          previous year and the U.S. consumer price index for all urban consumers, U.S. city  
14          average, for the 12-month average of the U.S. consumer price index for August ~~2007~~  
15          2015 through July ~~2008~~ 2016, as determined by the federal department of labor,  
16          except that the adjustment may occur only if the percentage is a positive number.  
17          Each amount that is revised under this paragraph shall be rounded to the nearest  
18          multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount  
19          is a multiple of \$5, such an amount shall be increased to the next higher multiple of  
20          \$10. The department of revenue shall annually adjust the changes in dollar amounts  
21          required under this paragraph and incorporate the changes into the income tax  
22          forms and instructions.

23          (b) The department of revenue shall annually adjust the slope under sub. (1)  
24          (~~f~~) (h) 2. such that, as a claimant's income increases from the threshold income as  
25          calculated under par. (a), to an amount that exceeds the maximum household income

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**SECTION 5**

1 as calculated under par. (a), the credit that may be claimed is reduced to \$0 and the  
2 department of revenue shall incorporate the changes into the income tax forms and  
3 instructions.

4 (END)