



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0132/1
EKL:kjf

2021 SENATE BILL 43

January 28, 2021 - Introduced by Senators JACQUE, FELZKOWSKI, CARPENTER and WANGGAARD, cosponsored by Representatives EDMING, ARMSTRONG, BRANDTJEN, BROOKS, CALLAHAN, DITTRICH, HORLACHER, MILROY, MOSES, MURPHY, MURSAU, ROZAR, SCHRAA, SINICKI, TAUCHEN, THIESFELDT, TRANEL and WICHGERS. Referred to Committee on Financial Institutions and Revenue.

1 **AN ACT to create** 71.05 (6) (b) 54. and 71.07 (6m) (c) 5. of the statutes; **relating**
2 **to:** exempting military income received by active duty members of the U.S.
3 armed forces and sunseting the armed forces member tax credit.

Analysis by the Legislative Reference Bureau

This bill exempts from taxation the military income received by active duty members of the U.S. armed forces and sunsets the armed forces member tax credit.

Under current law, military income received from the federal government by a member of a reserve component of the U.S. armed forces who is called into specified active federal service or special state service is exempt from state income taxes while the member is on active duty. Under the bill, military income received from the federal government by any individual who is on active duty in the U.S. armed forces is exempt from state income taxes.

Current law allows an active duty member of the U.S. armed forces to claim a tax credit of up to \$300 of military income for services performed while stationed outside the United States. The bill provides that no new claims may be made for the credit for taxable years that begin after December 31, 2020.

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.

