



1999 ASSEMBLY BILL 283

April 22, 1999 - Introduced by Representatives PETTIS, SUDER, RHOADES, LADWIG, KREIBICH, KEDZIE, MUSSER, BRANDEMUEHL, HUEBSCH, OWENS, F. LASEE, KLUSMAN, ALBERS, FREESE, GROTHMAN, GUNDERSON, HAHN, JESKEWITZ, SPILLNER, SERATTI and NASS, cosponsored by Senators SCHULTZ, FARROW, ZIEN, DARLING and ROESSLER. Referred to Committee on Ways and Means.

1 **AN ACT** *to amend* 71.08 (1) (intro.); and *to create* 71.07 (6m) and 71.10 (4) (dp)
2 of the statutes; **relating to:** creating a nonrefundable individual income tax
3 credit for certain married couples who have dependent children.

Analysis by the Legislative Reference Bureau

This bill creates a \$500 individual income tax credit for certain married couples who have at least one dependent child who is under the age of 18. Under the bill, and subject to some limitations, a married couple is eligible to claim the credit if one of the spouses receives less than \$5,000 in income for work in the year to which the claim relates. The credit is nonrefundable. If the amount of the credit exceeds a taxpayer's tax liability, no refund will be issued.

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

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

4 **SECTION 1.** 71.07 (6m) of the statutes is created to read:
5 71.07 (**6m**) MARRIED COUPLE TAX CREDIT. (a) *Definitions.* In this subsection:
6 1. "Claimant" means a married individual who resides with his or her spouse
7 and is eligible to claim the credit under this subsection.

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1 2. “Dependent” means a child of a claimant or of a claimant’s spouse who resides
2 with his or her parents and who is under the age of 18.

3 3. “Household” means a claimant and an individual related to the claimant as
4 husband or wife.

5 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
6 claimant who has at least one dependent may claim as a credit against the tax
7 imposed under s. 71.02, up to the amount of those taxes, \$500.

8 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
9 is claimed within the time period under s. 71.75 (2).

10 2. Part-year residents and nonresidents of this state are not eligible for the
11 credit under this subsection.

12 3. Only one credit per household is allowed each year.

13 4. No credit may be claimed under this subsection if both the claimant and his
14 or her spouse work and if both the claimant and his or her spouse receive \$5,000 or
15 more in income for that work in the year to which the claim relates.

16 (d) *Administration.* The department of revenue may enforce the credit under
17 this subsection and may take any action, conduct any proceeding and proceed as it
18 is authorized in respect to taxes under this chapter. The income tax provisions in this
19 chapter relating to assessments, refunds, appeals, collection, interest and penalties
20 apply to the credit under this subsection.

21 **SECTION 2.** 71.08 (1) (intro.) of the statutes is amended to read:

22 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
23 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
24 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (6),
25 (6m) and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and

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1 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and subchs. VIII
2 and IX and payments to other states under s. 71.07 (7), is less than the tax under this
3 section, there is imposed on that natural person, married couple filing jointly, trust
4 or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
5 as follows:

6 **SECTION 3.** 71.10 (4) (dp) of the statutes is created to read:

7 71.10 (4) (dp) Married couple credit under s. 71.07 (6m).

8 **SECTION 4. Initial applicability.**

9 (1) This act first applies to taxable years beginning on January 1 of the year
10 in which this subsection takes effect, except that, if this subsection takes effect after
11 July 31, this act first applies to taxable years beginning on January 1 of the year
12 following the year in which this subsection takes effect.

13

(END)