



2003 ASSEMBLY BILL 167

March 18, 2003 – Introduced by Representatives LOEFFELHOLZ, PETTIS, LADWIG, MUSSER, OWENS, HAHN, HUNDERTMARK, HINES, ALBERS, FREESE, LASSA, JESKEWITZ, BIES, GUNDERSON, SERATTI, STONE, PETROWSKI, TOWNSEND and J. FITZGERALD, cosponsored by Senators KEDZIE, LEIBHAM and HANSEN. Referred to Committee on Ways and Means. Referred to Joint Committee on Tax Exemptions.

1 **AN ACT** *to amend* 71.05 (6) (b) 21. of the statutes; **relating to:** increasing the
2 amount of the individual income tax subtract modification for social security
3 benefits.

Analysis by the Legislative Reference Bureau

In general, under current law, 50% of certain social security benefits is taxed by this state once the recipient's income reaches \$34,000 for a single individual or \$44,000 for a married couple filing jointly, while the federal government taxes 85% of these same benefits. This bill exempts from taxation completely the social security benefits which are included in the calculation of a taxpayer's federal adjusted gross income.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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.** 71.05 (6) (b) 21. of the statutes is amended to read:
5 71.05 (6) (b) 21. ~~The difference between the amount of social security benefits~~
6 included in federal adjusted gross income for the current year ~~and the amount as~~

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SECTION 1

1 calculated under section 86 of the ~~internal revenue code as that section existed on~~
2 ~~December 31, 1992~~ Internal Revenue Code.

3 **SECTION 2. Initial applicability.**

4 (1) This act first applies to taxable years beginning on January 1 of the year
5 in which this subsection takes effect, except that if this subsection takes effect after
6 July 31 this act first applies to taxable years beginning on January 1 of the year
7 following the year in which this subsection takes effect.

8 **(END)**