



## 2009 ASSEMBLY BILL 576

November 12, 2009 - Introduced by Representatives KNODL, ZIPPERER, BIES, BROOKS, GUNDERSON, HUEBSCH, KLEEFISCH, LEMAHIEU, LOTHIAN, MASON, MEYER, MURSAU, NERISON, NYGREN, PETERSEN, PETROWSKI, PRIDEMORE, RIPP, STRACHOTA, SUDER, TOWNSEND, VOS, VUKMIR and M. WILLIAMS, cosponsored by Senators DARLING, GROTHMAN, HOPPER, KANAVAS and LEIBHAM. Referred to Joint Survey Committee on Tax Exemptions.

1     **AN ACT** *to amend* 71.05 (22) (f) 4. a., 71.05 (23) (b) 2. and 71.05 (23) (c); and *to*  
2             *create* 71.05 (23) (be) of the statutes; **relating to:** increasing the amount of the  
3             individual income tax personal exemption for certain dependents.

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### *Analysis by the Legislative Reference Bureau*

Under current law, an individual income tax personal exemption exists in the amount of \$700 for each taxpayer who is required to file an income tax return and \$700 for the taxpayer's spouse, except if the spouse is filing separately or as a head of household. A taxpayer may also claim a \$700 exemption for each dependent for whom he or she is entitled to claim an exemption under the Internal Revenue Code. In general, additional exemptions of \$250 may be claimed by a taxpayer for the taxpayer and for the taxpayer's spouse, if the taxpayer or spouse has reached the age of 65 before the close of the taxable year to which the tax return relates.

For taxable years beginning after December 31, 2009, this bill increases the exemption amount for dependents from \$700 to \$1,200.

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.

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:***

**ASSEMBLY BILL 576****SECTION 1**

1           **SECTION 1.** 71.05 (22) (f) 4. a. of the statutes is amended to read:

2           71.05 **(22)** (f) 4. a. For taxable years beginning after December 31, 1997, in the  
3 case of a taxpayer with respect to whom an exemption under sub. (23) (b) 2. or (be)  
4 is allowable to another person, the Wisconsin standard deduction shall be the lesser  
5 of the amount under subd. 4. b. or one of the amounts calculated under subd. 4. c.,  
6 whichever amount under subd. 4. c. is greater.

7           **SECTION 2.** 71.05 (23) (b) 2. of the statutes is amended to read:

8           71.05 **(23)** (b) 2. An exemption of \$700 for each individual for whom the  
9 taxpayer is entitled to an exemption for the taxable year under section 151 (c) of the  
10 Internal Revenue Code, except that this subdivision does not apply to any taxable  
11 year that begins after December 31, 2009.

12           **SECTION 3.** 71.05 (23) (be) of the statutes is created to read:

13           71.05 **(23)** (be) For taxable years that begin after December 31, 2009, an  
14 exemption of \$1,200 for each individual for whom the taxpayer is entitled to an  
15 exemption for the taxable year under section 151 (c) of the Internal Revenue Code.

16           **SECTION 4.** 71.05 (23) (c) of the statutes is amended to read:

17           71.05 **(23)** (c) With respect to persons who change their domicile into or from  
18 this state during the taxable year and nonresident persons, personal exemptions  
19 under pars. (a) ~~and~~, (b), and (be) shall be limited to the fraction of the amount so  
20 determined that Wisconsin adjusted gross income is of federal adjusted gross income.  
21 In this paragraph, for married persons filing separately “adjusted gross income”  
22 means the separate adjusted gross income of each spouse and for married persons  
23 filing jointly “adjusted gross income” means the total adjusted gross income of both  
24 spouses. If a person and that person’s spouse are not both domiciled in this state  
25 during the entire taxable year, their personal exemptions on a joint return are

**ASSEMBLY BILL 576**

1       determined by multiplying the personal exemption that would be available to each  
2       of them if they were both domiciled in this state during the entire taxable year by a  
3       fraction the numerator of which is their joint Wisconsin adjusted gross income and  
4       the denominator of which is their joint federal adjusted gross income.

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**(END)**