



2009 SENATE BILL 64

February 18, 2009 – Introduced by Senators KEDZIE, DARLING, LAZICH, KANAVAS, LEIBHAM and HOPPER, cosponsored by Representatives NASS, LOTHIAN, NYGREN, KERKMAN, DAVIS, BROOKS, MEYER, ROTH, KNODL, LEMAHIEU, SPANBAUER, GUNDERSON, GUNDRUM, ZIPPERER, MURTHA and BIES. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT** *to amend* 71.03 (2) (a) 1. and 71.05 (23) (b) 3.; and *to create* 71.05 (23)
2 (b) 4. and 71.05 (23) (b) 5. of the statutes; **relating to:** increasing the amount
3 of the individual income tax personal exemption for certain older taxpayers.

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, an additional exemption of \$250 may be claimed by a taxpayer, and spouse, who has reached the age of 65 before the close of the taxable year to which his or her tax return relates.

This bill increases the additional exemption that may be claimed by a taxpayer who reaches the age of 70 or 75 before the close of the taxable year to which his or her tax return relates. Under the bill, in general, an additional exemption of \$300 may be claimed by a taxpayer, and spouse, who has reached the age of 70 before the close of the taxable year to which his or her tax return relates and an additional exemption of \$350 may be claimed by a taxpayer, and spouse, who has reached the age of 75 before the close of the taxable year to which his or her tax return relates.

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.

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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:

1 **SECTION 1.** 71.03 (2) (a) 1. of the statutes is amended to read:

2 71.03 (2) (a) 1. Every individual domiciled in this state during the entire
3 taxable year who has a gross income at or above a threshold amount which shall be
4 determined annually by the department of revenue. The threshold amounts shall
5 be determined for categories of individuals based on filing status and age, and shall
6 include categories for single individuals; individuals who file as a head of household;
7 married couples who file jointly; and married persons who file separately. The
8 threshold amounts shall also be determined by taking into account the exemption
9 amounts in s. 71.05 (23) (b) 1., 3., 4., and 5. The department of revenue shall establish
10 a threshold amount for each category of individual at an amount at which no
11 individual in that category whose gross income is below that amount has a state
12 income tax liability.

13 **SECTION 2.** 71.05 (23) (b) 3. of the statutes is amended to read:

14 71.05 (23) (b) 3. An Except for a taxpayer or his or her spouse who claims the
15 exemption under subd. 4. or 5., an additional exemption of \$250 if the taxpayer has
16 reached the age of 65 before the close of the taxable year to which his or her tax return
17 relates and \$250 for the taxpayer's spouse if he or she has reached the age of 65 before
18 the close of the taxable year to which his or her tax return relates, except if the spouse
19 is filing separately or as a head of household.

20 **SECTION 3.** 71.05 (23) (b) 4. of the statutes is created to read:

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1 71.05 (23) (b) 4. Except for a taxpayer or his or her spouse who claims the
2 exemption under subd. 5., an additional exemption of \$300 if the taxpayer has
3 reached the age of 70 before the close of the taxable year to which his or her tax return
4 relates and \$300 for the taxpayer's spouse if he or she has reached the age of 70 before
5 the close of the taxable year to which his or her tax return relates, except if the spouse
6 is filing separately or as a head of household.

7 **SECTION 4.** 71.05 (23) (b) 5. of the statutes is created to read:

8 71.05 (23) (b) 5. An additional exemption of \$350 if the taxpayer has reached
9 the age of 75 before the close of the taxable year to which his or her tax return relates
10 and \$350 for the taxpayer's spouse if he or she has reached the age of 75 before the
11 close of the taxable year to which his or her tax return relates, except if the spouse
12 is filing separately or as a head of household.

13 **SECTION 5. Initial applicability.**

14 (1) This act first applies to taxable years beginning on January 1 of the year
15 in which this subsection takes effect, except that if this subsection takes effect after
16 July 31 this act first applies to taxable years beginning on January 1 of the year
17 following the year in which this subsection takes effect.

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(END)