



State of Wisconsin
1997 - 1998 LEGISLATURE

LRBb3280/1
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**SENATE AMENDMENT 10,
TO 1997 ASSEMBLY BILL 768**

May 7, 1998 – Offered by Senators JAUCH, DECKER, SHIBILSKI, WIRCH, GROBSCHMIDT,
CLAUSING, C. POTTER, MOORE, RISSER, PLACHE, CHVALA, MOEN and BURKE.

1 At the locations indicated, amend the bill, as shown by assembly substitute
2 amendment 1, as follows:

3 **1.** Page 16, line 16: after “cities;” insert “creating an individual income tax
4 subtract modification for severance pays;”.

5 **2.** Page 206, line 16: after that line insert:

6 “**SECTION 284ac.** 71.05 (6) (b) 29. of the statutes is created to read:

7 71.05 (6) (b) 29. If an individual loses his or her job because the business for
8 which he or she works closes and if the individual receives severance pay, the amount
9 received as severance pay, up to \$30,000, modified as follows:

10 a. From the amount of severance pay received, up to \$30,000, if the claimant
11 is single or married and filing as head of household and his or her federal adjusted
12 gross income is more than \$45,000 but not more than \$60,000, subtract the product
13 of the amount of severance pay received, up to \$30,000, and the value of a fraction,

1 the denominator of which is \$15,000 and the numerator of which is the difference
2 between the claimant's federal adjusted gross income and \$45,000.

3 b. From the amount of severance pay received, up to \$30,000, if the claimant
4 is married and filing jointly and the claimant's and his or her spouse's federal
5 adjusted gross income is more than \$60,000 but not more than \$90,000, subtract the
6 product of the amount of severance pay received, up to \$30,000, and the value of a
7 fraction, the denominator of which is \$30,000 and the numerator of which is the
8 difference between the claimant's and his or her spouse's federal adjusted gross
9 income and \$60,000.

10 c. From the amount of severance pay received, up to \$30,000, if the claimant
11 is married and filing separately and the claimant's federal adjusted gross income is
12 more than \$30,000 but not more than \$45,000, subtract the product of the amount
13 of severance pay received, up to \$30,000, and the value of a fraction, the denominator
14 of which is \$15,000 and the numerator of which is the difference between the
15 claimant's federal adjusted gross income and \$30,000.

16 d. For an individual who is a nonresident or part-year resident of this state,
17 multiply the amount calculated under subd. 29. a., b. or c. by a fraction the numerator
18 of which is the individual's wages, salary, tips, unearned income and net earnings
19 from a trade or business that are taxable by this state and the denominator of which
20 is the individual's total wages, salary, tips, unearned income and net earnings from
21 a trade or business. In this subd. 29. d., for married persons filing separately "wages,
22 salary, tips, unearned income and net earnings from a trade or business" means the
23 separate wages, salary, tips, unearned income and net earnings from a trade or
24 business of each spouse, and for married persons filing jointly "wages, salary, tips,
25 unearned income and net earnings from a trade or business" means the total wages,

1 salary, tips, unearned income and net earnings from a trade or business of both
2 spouses.

3 e. Reduce the amount calculated under subd. 29. d. to the individual's
4 aggregate wages, salary, tips, unearned income and net earnings from a trade or
5 business that are taxable by this state.

6 f. No modification may be claimed under this subdivision by a claimant who is
7 single or married and filing as head of household if the claimant's federal adjusted
8 gross income is more than \$60,000, by a claimant who is married and filing jointly
9 if the claimant's and his or her spouse's federal adjusted gross income is more than
10 \$90,000 or by a claimant who is married and filing separately if the claimant's federal
11 adjusted gross income is more than \$45,000."

12 **3.** Page 571, line 21: after that line insert:

13 "(3et) SEVERANCE PAY INCOME TAX SUBTRACT MODIFICATION. The treatment of
14 section 71.05 (6) (b) 29. of the statutes first applies to taxable years beginning on
15 January 1 of the year in which this subsection takes effect, except that if this
16 subsection takes effect after July 31 this act first applies to taxable years beginning
17 on January 1 of the year following the year in which this subsection takes effect."

18 (END)