

1999 DRAFTING REQUEST

Bill

Received: 03/17/99

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Mark Pettis (608) 267-2365

By/Representing: Don

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact:

Alt. Drafters:

Subject: Tax - individual income
Tax Credits - miscellaneous

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Individual income tax credit for certain married couples with dependent children

Instructions:

Redraft 1997 AB 871, LRB -4366/2.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 03/18/99	ygeller 03/18/99		_____			State
/1			martykr 03/22/99	_____	lrb_docadmin 03/22/99	lrb_docadmin 03/26/99	

FE Sent For: 03/26/99.

"/1"

<END>

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1?	shoveme	11 3/18 jlg	2 3/22 sm	1+1 3/22			
11 MES 3/18/99							

FE Sent For:

<END>

stays

RMP

1999 ~~1997~~ ASSEMBLY BILL ~~871~~

March 2, 1998 - Introduced by Representatives GROTHMAN, LADWIG, ALBERS, DUFF, GREEN, HANDRICK, HUEBSCH, KEDZIE, F. LASEE, MUSSER, OTTE, OWENS, SERATTI, SKINDRUD, STASKUNAS, SYKORA and WARD, cosponsored by Senators FITZGERALD, DARLING, FARROW, ROESSLER and WELCH. Referred to Committee on Income Tax Review.

regr

1 AN ACT ~~to create~~ 71.07 (6m) and 71.10 (4) (dp) of the statutes; relating to:
2 creating a nonrefundable individual income tax credit for certain married
3 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.

ASSEMBLY BILL 871

SECTION 1

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

22 71.10 (4) (dp) Married couple credit under s. 71.07 (6m).

23 **SECTION 3. Initial applicability.**

24 (1) This act first applies to taxable years beginning on January 1 of the year
25 in which this subsection takes effect, except that, if this subsection takes effect after

ins
2-20

ASSEMBLY BILL 871

1 July 31, this act first applies to taxable years beginning on January 1 of the year
2 following the year in which this subsection[✓] takes effect.

3 (END)

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2516/?ins
MES.....

I NS; 2-20

1 **SECTION 1.** 71.08 (1) (intro.)[✓] of the statutes is amended to read:
2 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
3 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
4 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (6),
5 (6m)[✓] and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and
6 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and subchs. VIII
7 and IX and payments to other states under s. 71.07 (7), is less than the tax under this
8 section, there is imposed on that natural person, married couple filing jointly, trust
9 or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
10 as follows:

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237.

**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and **sign** on the appropriate line(s) below.

Date: 3/22/99

To: Representative Pettis

Relating to LRB drafting number: LRB-2516

Topic

Individual income tax credit for certain married couples with dependent children

Subject(s)

Tax - individual income, Tax Credits - miscellaneous

1. **JACKET** the draft for introduction _____ M. Pettis X
in the **Senate** ____ or the **Assembly** X (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____
A revised draft will be submitted for your approval with changes incorporated. M. Pettis X Done 9/13

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____ M. Pettis X
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-0129



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION
REFERENCE SECTION
FAX

(608) 266-3561
(608) 266-0341
(608) 266-5648

STEPHEN R MILLER
CHIEF

May 3, 1999

LRB
2

MEMORANDUM

To: Representative Pettis

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **1999 AB 283** (LRB 99-2516/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

April 29, 1999

TO: Marc Shovers
Legislative Reference Bureau

FROM: Yeang-Eng Braun **YEB**
Department of Revenue

SUBJECT: Technical Memorandum on AB 283 – Individual Income Tax Credit for Certain Married, Joint Filers with Dependent Children

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner.

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE Positions</u>
<u>FY 1999-00</u>			
one-time	s. 20.566 (1) (a)	\$ 79,800	
<u>FY 2000-01</u>			
one-time	s. 20.566 (1) (a)	\$ 37,600	
annual	s. 20.566 (1) (a)	\$167,600	3.7

If you have questions regarding these administrative costs, please contact Pat Lashore at 266-3347.

YEB:CK:skr
t:\fsn99-00\ck\ab283.tec