

1999 ASSEMBLY BILL 673

January 25, 2000 – Introduced by Representatives RICHARDS, CARPENTER, BERCEAU, BOCK, MILLER, MUSSER, UNDERHEIM and VRAKAS, cosponsored by Senators ROESSLER and GROBSCHMIDT. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to create** 71.05 (6) (b) 31. of the statutes; **relating to:** exempting from
2 income taxation certain employer–paid fringe benefits for mass transit
3 expenses.

Analysis by the Legislative Reference Bureau

This bill creates an individual income tax exemption for the cost of a public transportation pass provided by an employer to an employe, or for the money paid by an employer to an employe to purchase such a pass, if the value of the pass exceeds the amount that may be excluded from federal gross income. Under current federal law, such passes, or funds to pay for such passes, provided to an employe that have a value of \$60 per month or less are exempt from the income tax.

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 the 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) 31. of the statutes is created to read:
5 71.05 **(6)** (b) 31. An amount paid by an employer to an employe for the purchase
6 of a public transportation pass, token or fare card, or the value of such a pass, token

ASSEMBLY BILL 673

1 or fare card provided by an employer to an employe, if the money provided for, or the
2 value of, the pass, token or fare card exceeds the amount that may be excluded from
3 federal gross income under section 132 (a) (5) of the Internal Revenue Code for a
4 transit pass under section 132 (f) (1) (B) of the Internal Revenue Code per month.

5 **SECTION 2. Initial applicability.**

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

10

(END)