

1999 DRAFTING REQUEST

Bill

Received: **08/11/1999**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Michael Powers (608) 266-1192**

By/Representing: **vince**

This file may be shown to any legislator: NO

Drafter: **j kreye**

May Contact:

Alt. Drafters: **shoveme**

Subject: **Tax - individual income
Tax Credits - miscellaneous**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

married persons credit; \$10,000 of assumed earned income

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Resuired</u>
/1	jkreye 08/13/1999	kgeller 08/17/1999	mclark 08/17/1999	_____	lrb_docadmin 08/18/1999	lrb_docadminState 02/11/2000	

FE Sent For:

<END>

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I?	jlcreye	1 8/17 jlg	MRC 8/17	MRC/KF 8/17			

FE Sent For:

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8:10-99

3413

6-1192 Rep Michael Powers

Wince — page sending over. info re married

couple tax returns & credits

— can start before Marc. 5. returns?

① married couples credit — ? see 71.07(6)

② working families credit — see 71.07(5m)



WISCONSIN STATE REPRESENTATIVE
MIKE POWERS

80TH ASSEMBLY DISTRICT

8-10-99

Joe,

A constituent has asked us to make some changes to the married couples credit and the working families credit. It is my understanding that Marc Shovers will be out of the office until August 23. Would it be possible for you to review the enclosed materials and prepare two drafts that address our constituent's concern.

Thank you,

Vince Williams
Research Assistant

MAY 26 1999

341B

Mike...

ONE Draft { Here are some examples of tax returns for married couples with the same income. Under current law there is no married couple credit if only one or neither spouse has earned income. By changing the instructions for line 3 of schedule 2, each spouse is assumed to have earned \$10,000. This would give all married couples a minimum credit of \$217 while still allowing the maximum credit of \$304 if both spouses worked. (the \$10,000 figure could be adjusted as necessary to make the credit even more equitable) This is one possibility for consideration to eliminate the married couple penalty for all who file jointly.

Second Draft { Another point to be made is regarding the working families credit. For the 1998 tax year a married couple would pay no tax if their taxable income was \$18,000, but would pay \$601 tax if their income was \$19,000. Somehow a table could be used to make the transition more gradual.

Also, please revisit my previous letter regarding the use of the current year's property tax bill in determining school tax credit.

Thank you for your interest. I'm available anytime for clarification or further information.

Thanks again



Jim Kosir
P O Box 455
Albany WI 53502
(608)862-1155

Form For the year Jan. 1 - Dec. 31, 1998, or other tax year beginning _____, 1998 ending _____, 19

Use label or print	Your last name SMITH	First name and middle initial JOHN	Your social security number	QUICK REFUND Do you qualify (see page 5)? _____
	If a joint return, spouse's last name SMITH	First name and middle initial JANE	Spouse's social security number	
	Home address (number and street)		▲ IMPORTANT ▲ You must enter your social security number(s)	
	City or post office, state, ZIP code			

Filing status Check only one box

Single

Married filing joint return

Married filing separate return. Fill in spouse's full name and social security number

Head of household (with qualifying person). Fill in qualifying person's name

Illinois wages If you want \$1 to go to the State Election Campaign Fund, check box(es). You Your spouse
 Checking the box(es) will not change your tax or refund.

Were any of your wages earned in Illinois? (See page 5)

If yes, fill in amount of Illinois wages

You \$ _____

Spouse \$ _____

Income

1 Federal adjusted gross income (see page 6) **1** 24,000.-

2 State and municipal interest (see page 6) **2** _____

3 Capital gain/loss adjustment (see page 7) **3** _____

4 Other additions (list) **4** _____

5 Add lines 1 through 4 **5** 24,000.-

6 State income tax refund (Form 1040, line 10) **6** _____

7 United States government interest **7** _____

8 Unemployment compensation (see page 8). **8** _____

9 Social security (see page 8) **9** _____

10 Capital gain/loss adjustment (see page 9) **10** _____

11 Other subtractions (list). **11** _____

12 Add lines 6 through 11 _____

13 Subtract line 12 from line 5. This is your Wisconsin income **13** 24,000.-

14 Tax. (See page 14) Check if from Tax Table or Special Tax Worksheet. ... **14** 982.-

15 Dependent credit. Fill in number of dependents (do **not** count yourself or spouse) _____ x \$50 = **15** _____

16 Senior citizen credit (Caution: see page 14). **16** _____

17 Wisconsin itemized deduction credit. Complete Schedule 1 on page 3. 17 _____

18 School property tax credit

a. Rent paid in 1998 - heat included _____

Rent paid in 1998 - heat not included ... 6000.-

Find credits from table, page 16 **18a** 212.-

b. Property taxes paid on home in 1998. ... _____

Find credit from table, page 17 **18b** _____

19 Working families tax credit **19** _____

20 Add lines 15 through 19 **20** 212.-

21 Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0- **21** 970.-

MARKIED COUPLE - BOTH SPOUSES WORKING

Wisconsin income tax

1998

Form

For the year Jan. 1 - Dec. 31, 1998, or other tax year beginning

1998 ending

Use label or print	Your last name BROWN	First name and middle initial SAM	Your social security number	QUICK REFUND Do you qualify (see page 5)? <table border="1" style="width: 100px; height: 20px;"> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>										
	If a joint return, spouse's last name BROWN	First name and middle initial GLORIA	Spouse's social security number											
Home address (number and street)		▲ IMPORTANT ▲ You must enter your social security number(s)												
City or post office, state, ZIP code														

Filing status	Check only one box	Illinois wages	<input type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing joint return <input type="checkbox"/> Married filing separate return. Fill in spouse's full name and social security number _____ <input type="checkbox"/> Head of household (with qualifying person) Fill in qualifying person's name _____	If you want \$1 to go to the State Election Campaign Fund , check box(es). <input type="checkbox"/> You <input type="checkbox"/> Your spouse <i>Checking the box(es) will not change your tax or refund.</i>
			Were any of your wages earned in Illinois? (See page 5) <input type="checkbox"/> Yes <input type="checkbox"/> No	
			If yes, fill in amount of Illinois wages You \$ _____ Spouse \$ _____	

1	Federal adjusted gross income (see page 6)	.....	1	<u>24,000.-</u>
2	State and municipal interest (see page 6)	.....	2	_____
3	Capital gain/loss adjustment (see page 7)	.....	3	_____
4	Other additions (list)	.....	4	_____
5	Add lines 1 through 4	.....	5	<u>24,000.-</u>
6	State income tax refund (Form 1040, line 10)	.....	6	_____
7	United States government interest	.....	7	_____
8	Unemployment compensation (see page 8)	.....	8	_____
9	Social security (see page 8)	.....	9	_____
10	Capital gain/loss adjustment (see page 9)	.....	10	_____
11	Other subtractions (list)	.....	11	_____
12	Add lines 6 through 11	.....	12	_____
13	Subtract line 12 from line 5. This is your Wisconsin income	.....	13	<u>24,000.-</u>
14	Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet	..	14	<u>982.-</u>
15	Dependent credit. Fill in number of dependents (do not count yourself or spouse) x \$50 =	.....	15	_____
16	Senior citizen credit (Caution: see page 14)	.....	16	_____
17	Wisconsin itemized deduction credit. Complete Schedule 1 on page 3	..	17	_____
18	School property tax credit			
	a. Rent paid in 1998 - heat included	.....		_____
	Rent paid in 1998 -- heat not included	.....		<u>6000.-</u>
	Find credits from table, page 16	.....	18a	<u>212.-</u>
	b. Property taxes paid on home in 1998	.....		_____
	Find credit from table, page 17	.....	18b	_____
19	Working families tax credit	.....	19	_____
20	Add lines 15 through 19	.....	20	<u>212.-</u>
21	Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	.....	21	<u>270.-</u>

Name(s) shown on Form 1	Your social security number
-------------------------	-----------------------------

Schedule 1 - Wisconsin Itemized Deduction Credit (see page 15)

1 Medical and dental expenses from line 4, federal Schedule A. See instructions for exceptions.	1	. . . . .
2 Interest paid from line 14, federal Schedule A. Do not include interest paid on a second home located outside Wisconsin or on a residence which is a boat. Also, do not include interest paid to purchase or hold U.S. government securities.	2	. . . . .
3 Gifts to charity from line 18, federal Schedule A. See instructions for exceptions.	3	. . . . .
4 Job expenses and miscellaneous deductions from line 26, federal Schedule A. See instructions for exceptions	4	. . . . .
5 Other miscellaneous deductions from line 27, federal Schedule A. See instructions for exceptions	5	. . . . .
6 Add lines 1 through 5.	6	. . . . .
7 Using Wisconsin income from line 13 on page 1, find your standard deduction from table on page 31. (If Special Tax Worksheet on page 14 used, fill in the standard deduction from line 6 of that worksheet.)	7	. . . . .
8 Subtract line 7 from line 6. If line 7 is more than line 6, fill in -0-	8	. . . . .
9 Rate of credit is .05 (5%).	9	. . . . . x .05
10 Multiply line 8 by line 9. Fill in here and on line 17 on page 1.	10	. . . . .

Schedule 2 - Married Couple Credit ~~When Both Spouses Are Employed~~ (see page 18)

(When completing this schedule, be sure to fill in your income in column (A) and your spouse's income in column (B))

	(A) YOURSELF	(B) SPOUSE
1 Taxable wages, salaries, tips, and other employe compensation. Do NOT enter interest, dividends, pensions, unemployment compensation, or other unearned income.	1 <u>12,000.-</u>	<u>12,000.-</u>
2 Net profit or loss from self-employment from federal Schedules C, C-EZ, and F (Form 1040), Schedule K-1 (Form 1065), and any other taxable self-employment or earned income.	2 _____	_____
3 Combine lines 1 and 2 Enter total or \$10,000 whichever is greater 3	3 <u>12,000.-</u>	<u>12,000.-</u>
4 Add amounts from your federal Form 1040, lines 23 and 29, plus repayment of supplemental unemployment benefits, employe expenses of qualified performing artists and of fee-basis state or local government officials, and contributions to Section 501 (c)(18) pension plans included in line 32, and any Wisconsin disability income exclusion. Fill in the total of these adjustments that apply to your or your spouse's income ,	4 _____	_____
5 Subtract line 4 from line 3. This is qualified earned income. If less than zero, fill in -0-	5 <u>12,000.-</u>	<u>12,000.-</u>
6 Compare the amounts in columns (A) and (B) of line 5. Fill in the smaller amount here. If more than \$14,010, fill in \$14,010	6 <u>12,000.-</u>	_____
7 Rate of credit is .0217 (2 . 1 7 %)	7 _____	x .0217
8 Multiply line 6 by line 7. Fill in here and on line 25 on page 2. Do not fill in more than \$304	8 <u>260.-</u>	_____

1 MARKED COUPLE - ONE SPOUSE WORKING

Wisconsin income tax

1998

Form

For the year Jan. 1 - Dec 31, 1998, or other tax year beginning _____, 1998 ending _____, 19

Use label or print	Your last name JONES	First name and middle initial JAMES	Your social security number	QUICK REFUND Do you qualify (see page 5)?
	If a joint return, spouse's last name JONES	First name and middle initial RUTH	Spouse's social security number	
	Home address (number and street)			▲ IMPORTANT ▲ You must enter your social security number(s)
	City or post office, state, zip code			

--	--	--	--	--	--	--	--	--	--

Filing status

Check only **one** box

Single

Married filing joint return

Married filing separate return. Fill in spouse's full name and social security number ▼

Head of household (with qualifying person)
Fill in qualifying person's name ▼

Illinois wages

If you want \$1 to go to the **State Election Campaign Fund**, check box(es). You Your spouse

Checking the box(es) will not change your tax or refund.

Were any of your wages earned in Illinois? (See page 5) Yes No

If yes, fill in amount of Illinois wages

You \$ _____

Spouse \$ _____

1	Federal adjusted gross income (see page 6)	24,000.-
2	State and municipal interest (see page 6)	2
3	Capital gain/loss adjustment (see page 7)	3
4	Other additions (list)	4
5	Add lines through 4	5 24,000.-
6	State income tax refund (Form 1040, line 10)	6
7	United States government interest	7
8	Unemployment compensation (see page 8)	8
9	Social security (see page 8)	9
10	Capital gain/loss adjustment (see page 9)	10
11	Other subtractions (list)	11
12	Add lines 6 through 11	
13	Subtract line 12 from line 5. This is your Wisconsin income	13 24,000.-
14	Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet.	14 982.-
15	Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	15
16	Senior citizen credit (Caution: see page 14).	16
17	Wisconsin itemized deduction credit. Complete Schedule 1 on page 3.	17
18	School property tax credit	
	a. Rent paid in 1998 - heat included	
	Rent paid in 1998 - heat not included ... <u>6000.-</u>	
	Find credits from table, page 16	▶ 18a 212.-
	b. Property taxes paid on home in 1998.	
	Find credit from table, page 17	▶ 18b
19	Working families tax credit	19
20	Add lines 15 through 19	20 212.-
21	Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	21 770.-

m

Name(s) shown on Form 1	Your social security number
-------------------------	-----------------------------

Schedule 1 - Wisconsin Itemized Deduction Credit (see page 15)

1 Medical and dental expenses from line 4, federal Schedule A. See instructions for exceptions.	1	
2 Interest paid from line 14, federal Schedule A. Do not include interest paid on a second home located outside Wisconsin or on a residence which is a boat. Also, do not include interest paid to purchase or hold U.S. government securities.	2	
3 Gifts to charity from line 18, federal Schedule A. See instructions for exceptions.	3	
4 Job expenses and miscellaneous deductions from line 26, federal Schedule A. See instructions for exceptions	4	
5 Other miscellaneous deductions from line 27, federal Schedule A. See instructions for exceptions . . .	5	
6 Add lines 1 through 5.	6	
7 Using Wisconsin income from line 13 on page 1, find your standard deduction from table on page 31. (If Special Tax Worksheet on page 14 used, fill in the standard deduction from line 6 of that worksheet.) .	7	
8 Subtract line 7 from line 6. If line 7 is more than line 6, fill in -0-	8	
9 Rate of credit is .05 (5%).	9	x .05
10 Multiply line 8 by line 9. Fill in here and on line 17 on page 1.	10	

Schedule 2 - Married Couple Credit ~~When Both Spouses Are Employed~~ (see page 18)

(When completing this schedule, be sure to fill in your income in column (A) and your spouse's income in column (B))

	(A) YOURSELF	(B) SPOUSE
1 Taxable wages, salaries, tips, and other employe compensation. Do NOT enter interest, dividends, pensions, unemployment compensation, or other unearned income	1 <u>24,000 . -</u>	<u>- 0 -</u>
2 Net profit or loss from self-employment from federal Schedules C, C-EZ, and F (Form 1040), Schedule K-1 (Form 1065), and any other taxable self-employment or earned income.	2	
3 Combine lines 1 and 2. Enter total or \$10,000 whichever is greater	3 <u>24,000 . -</u>	<u>10,000 . -</u>
4 Add amounts from your federal Form 1040, lines 23 and 29, plus repayment of supplemental unemployment benefits, employe expenses of qualified performing artists and of fee-basis state or local government officials, and contributions to Section 501(c)(18) pension plans included in line 32, and any Wisconsin disability income exclusion. Fill in the total of these adjustments that apply to your or your spouse's income	4	
5 Subtract line 4 from line 3. This is qualified earned income. If less than zero, fill in -0-	5 <u>24,000 . -</u>	<u>10,000 . -</u>
6 Compare the amounts in columns (A) and (B) of line 5. Fill in the smaller amount here. If more than \$14,010, fill in \$14,010	6 <u>10,000 . -</u>	
7 Rate of credit is .0217 (2.17%)	7	x .0217
8 Multiply line 6 by line 7. Fill in here and on line 25 on page 2. Do not fill in more than \$304	8	<u>217 . -</u>

RETIRED MARRIED COUPLE - NO EARNED INCOME
Wisconsin income tax ~~1997~~ **1998**

Form 1 For the year Jan. 1-Dec 31, 1998, or other tax year beginning _____, 1998 ending _____, 19__

Use label or print	Your last name SMITH	First name and middle initial JOHN	Your social security number	QUICK REFUND Do you qualify (see page 5)?
	If a joint return, spouse's last name SMITH	First name and middle initial JANE	Spouse's social security number	
	Home address (number and street)			▲ IMPORTANT ▲ You must enter your social security number(s)
	City or post office, state, zip code			

Filing status

Check only one box

Single

Married filing joint return

Married filing separate return. Fill in spouse's full name and social security number ▼

Head of household (with qualifying person)
Fill in qualifying person's name ▼

Illinois wages

If you want \$1 to go to the **State Election Campaign Fund**, check box(es). You Your spouse
Checking the box(es) will not change your tax or refund.

Were any of your wages earned in Illinois? (See page 5) Yes No

If yes, fill in amount of Illinois wages

You \$ _____

Spouse \$ _____

1	Federal adjusted gross income (see page 6)	1	<u>24,000.-</u>
2	State and municipal interest (see page 6)	2	_____
3	Capital gain/loss adjustment (see page 7)	3	_____
4	Other additions (list)	4	_____
5	Add lines 1 through 4	5	<u>24,000.-</u>
6	State income tax refund (Form 1040, line 10)	6	_____
7	United States government interest	7	_____
8	Unemployment compensation (see page 8)	8	_____
9	Social security (see page 8)	9	_____
10	Capital gain/loss adjustment (see page 9)	10	_____
11	Other subtractions (list)	11	_____
12	Add lines 6 through 11		_____
13	Subtract line 12 from line 5. This is your Wisconsin income	13	<u>24,000.-</u>
14	Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet. ...	14	<u>982.-</u>
15	Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	15	_____
16	Senior citizen credit (Caution: see page 14)	16	_____
17	Wisconsin itemized deduction credit. Complete Schedule 1 on page 3 .	17	_____
18	School property tax credit		
	a. Rent paid in 1998 - heat included		_____
	Rent paid in 1998 - heat not included ... <u>6000.-</u>		
	Find credits from table, page 16	18a	<u>212.-</u>
	b. Property taxes paid on home in 1998. ...		_____
	Find credit from table, page 17	18b	_____
19	Working families tax credit	19	_____
20	Add lines 15 through 19	20	<u>212.-</u>
21	Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	21	<u>270.-</u>

Tax computation (cont'd.)
Additions to tax
Payments and credits Attach withholding statements here
Refund or amount due
Tax district
Sign your return

22 Amount from line 21 22 1770.-
23 Alternative minimum tax. Attach Schedule MT. 23
24 Add lines 22 and 23. 24 770.-
25 Married couple credit. Complete Schedule 2 on page 3 . . . 25 217.-
26 Manufacturer's sales tax credit. Attach Schedule MS 26
27 Add lines 25 and 26. 27 217.-
28 Subtract line 27 from line 24. If line 27 is larger than line 24, fill in -0-. This is your net tax . 28 553.-
29 Temporary recycling surcharge (see page 19). [] Check if surcharge computed on worksheet. If worksheet not used, fill in nonfarm net business income x.002173 = 29
30 Sales and use tax due on out-of-state purchases (see page 20). 30
31 Endangered resources donation (decreases refund or increases amount owed) 31
32 Penalties on IRAs, other retirement plans, MSAs, etc. (see page 21) x .33 = 32
33 Add lines 28 through 32 33 553.-
34 Wisconsin income tax withheld. Attach withholding statements 34
35 1998 estimated tax payments and amount applied from 1997 return . 35 600.-
36 Earned income credit. Qualifying children Federal credit x % = 36
37 Farmland preservation credit. Attach Schedule FC [37]
38 Net income tax paid to another state (see page 22) 38
39 Homestead credit. Attach Schedule H [39]
40 Farmland tax relief credit. Property taxes on farmland x .10 = 40
41 Add lines 34 through 40 41 600.-
42 If line 41 is larger than line 33, subtract line 33 from line 41. This is the amount OVERPAID . 42 47.-
43 Amount of line 42 you want REFUNDED TO YOU. 43 47.-
44 Amount of line 42 you want APPLIED TO YOUR 1999 ESTIMATED TAX 44
45 If line 41 is smaller than line 33, subtract line 41 from line 33. This is the AMOUNT YOU OWE. Paper clip payment to front of return. 45

Check proper box and fill in name of municipality and the county in which you lived at the end of 1998.
[] City }
[] Village }
[] Town }
County of
School district number (see page 32)

Attach a copy of your federal income tax return and schedules to this return

Under penalties of law, I declare that this return and all attachments are true, correct, and complete to the best of my knowledge and belief.
Your signature Spouse's signature (If filing jointly, BOTH must sign) Date Daytime phone

Mail your return to: Wisconsin Department of Revenue
If tax due P.O. Box 268, Madison, WI 53790-0001
If refund or no tax due P.O. Box 59, Madison, WI 53785-0001
If quick refund c/armed P.O. Box 38, Madison, WI 53787-0001
If homestead credit claimed... P.O. Box 34, Madison, WI 53786-0001

For Department Use Only
Table with columns: R, M, Y, T, MAN, D, A, P, C

Name(s) shown on Form 1	Your social security number
-------------------------	-----------------------------

Schedule 1 - Wisconsin Itemized Deduction Credit (see page 15)

1 Medical and dental expenses from line 4, federal Schedule A. See instructions for exceptions.	1	
2 Interest paid from line 14, federal Schedule A. Do not include interest paid on a second home located outside Wisconsin or on a residence which is a boat. Also, do not include interest paid to purchase or hold U.S. government securities.	2	
3 Gifts to charity from line 18, federal Schedule A. See instructions for exceptions.	3	
4 Job expenses and miscellaneous deductions from line 26, federal Schedule A. See instructions for exceptions	4	
5 Other miscellaneous deductions from line 27, federal Schedule A. See instructions for exceptions	5	
6 Add lines 1 through 5.	6	
7 Using Wisconsin income from line 13 on page 1, find your standard deduction from table on page 31. (If Special Tax Worksheet on page 14 used, fill in the standard deduction from line 6 of that worksheet.)	7	
8 Subtract line 7 from line 6. If line 7 is more than line 6, fill in -0-	8	
9 Rate of credit is .05 (5%).	9	x .05
10 Multiply line 8 by line 9. Fill in here and on line 17 on page 1.	10	

Schedule 2 - Married Couple Credit ~~When Both Spouses Are Employed~~ (see page 18)

(When completing this schedule, be sure to fill in your income in column (A) and your spouse's income in column (B))

	(A) YOURSELF	(B) SPOUSE
1 Taxable wages, salaries, tips, and other employe compensation. Do NOT enter interest, dividends, pensions, unemployment compensation, or other unearned income	1 <u>0-</u>	<u>0-</u>
2 Net profit or loss from self-employment from federal Schedules C, C-EZ, and F (Form 1040), Schedule K-1 (Form 1065), and any other taxable self-employment or earned income.	2	
3 Combine lines 1 and 2. Enter total or \$10,000, whichever is greater	3 <u>10,000.-</u>	<u>10,000.-</u>
4 Add amounts from your federal Form 1040, lines 23 and 29, plus repayment of supplemental unemployment benefits, employe expenses of qualified performing artists, and of fee basis state or local government officials, and contributions to Section 501(c)(18) pension plans included in line 32, and any Wisconsin disability income exclusion. Fill in the total of these adjustments that apply to your or your spouse's income	4	
5 Subtract line 4 from line 3. This is qualified earned income. If less than zero, fill in -0-	5 <u>10,000.-</u>	<u>10,000.-</u>
6 Compare the amounts in columns (A) and (B) of line 5. Fill in the smaller amount here. If more than \$14,010, fill in \$14,010	6 <u>10,000.-</u>	
7 Rate of credit is .0217 (2.17%)	7	x .0217
8 Multiply line 6 by line 7. Fill in here and on line 25 on page 2. Do not fill in more than \$304	8	<u>217.-</u>

Use label or print	Your last name SMITH	First name and middle initial JOHN	Your social security number	QUICK REFUND Do you qualify (see page 5)?
	If a joint return, spouse's last name	First name and middle initial	Spouse's social security number	
	Home address (number and street)		▲ IMPORTANT ▲ You must enter your social security number(s)	
	City or post office, state, zip code			

Filing status

Check only one box

Single

Married filing joint return

Married filing separate return. Fill in spouse's full name and social security number ▼

Head of household (with qualifying person)
Fill in qualifying person's name ▼

Illinois wages

If you want \$1 to go to the **State Election Campaign Fund**, check box(es). you Your spouse
Checking the box(es) will not change your tax of refund.

Were any of your wages earned in Illinois? (See page 5) Yes No

If yes, fill in amount of Illinois wages

You \$ _____

Spouse \$ _____

1	Federal adjusted gross income (see page 6)	12,000.-
2	State and municipal interest (see page 6)	
3	Capital gain/loss adjustment [see page 7]	
4	Other additions (list)	
5	Add lines 1 through 4	12,000.-
6	State income tax refund (Form 1040, line 10)	
7	United States government interest	
8	Unemployment compensation (see page 8)	
9	Social security (see page 8)	
10	Capital gain/loss adjustment (see page 9)	
11	Other subtractions (list)	
12	Add lines 6 through 11	
13	Subtract line 12 from line 5. This is your Wisconsin income	12,000.-
14	Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet.	353.-
15	Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	
16	Senior citizen credit (Caution: see page 14)	
17	Wisconsin itemized deduction credit. Complete Schedule 1 on page 3	
18	School property tax credit	
	a. Rent paid in 1998 - heat included	
	Rent paid in 1998 - heat not included ... 3000.-	
	Find credits from table, page 16	▶ 18a 107.-
	b. Property taxes paid on home in 1998	
	Find credit from table, page 17	▶ 18b
19	Working families tax credit	
20	Add lines 15 through 19	107.-
21	Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	246.-

Line 18b instructions - continued

The property taxes for you; home to be filled in are further limited as follows:

- a. If a home was purchased or sold during 1998, the property taxes of the seller and buyer are the taxes set forth for each in the closing agreement made at the sale or purchase of the home. If the closing agreement does not divide the taxes between the seller and buyer, divide the property taxes between the seller and the buyer on the basis of the number of months each one owned the home.
- b. If you owned a mobile home during 1998, property taxes include the mobile home parking permit fees paid to your municipality and/or the personal property taxes paid on your mobile home. Payments for space rental should be filled in as rent on line 18a.
- c. If you, or you and your spouse, owned a home jointly with one or more other persons, you may only use that portion of the property taxes which reflects your percentage of ownership. For example, if you and another person (other than your spouse) jointly owned a home on which taxes of \$1,500 were paid, each of you would claim a credit based on \$750 of taxes.

Line 18b instructions - continued

CAUTION Property taxes paid during 1998 must be reduced by any amounts received as a refund of such taxes. For example, a taxpayer claimed farmland preservation credit (which is considered a refund of property taxes) on his or her 1997 Wisconsin return. The taxpayer received a farmland preservation credit in 1998 of \$600 which was based on 1997 property taxes accrued of \$6,000. The 1997 property taxes were paid in 1998 and 10% of such taxes were allocable to the personal residence and 90% to the farm property. Thus, for tax purposes, property taxes paid on the entire property during 1998 are \$5,400 (\$6,000 less \$600 farmland preservation credit). Of this amount, \$540 (10% of \$5,400) is used to compute the 1998 school property tax credit.

Step 2 After you have filled in the amount of property taxes paid on your home in 1998, refer to the Home Owner's School Property Tax Credit Table on this page to determine your credit. Fill in the amount of your credit on line 18b.

CAUTION If you are also claiming the renter's credit on line 18a, the total of your renter's and home owner's credits may not exceed \$350 (\$175 if married filing a separate return or married filing as head of household).

Home Owner's School Property Tax Credit Table*

If Property Taxes are:			If Property Taxes are:			If Property Taxes are:		
At Least	But Line 18b Credit is Less Than	is	At Least	But Line 18b Credit is Less Than	is	At Least	But Line 18b Credit is Less Than	is
\$ 1	\$ 25	\$ 2	\$ 875	\$ 900	\$124	\$1,750	\$1,775	\$247
25	50	5	900	925	128	1,775	1,800	250
50	75	9	925	950	131	1,800	1,825	254
75	100	12	950	975	135	1,825	1,850	257
100	125	16	975	1,000	138	1,850	1,875	261
125	150	19	1,000	1,025	142	1,875	1,900	264
150	175	23	1,025	1,050	145	1,900	1,925	268
175	200	26	1,050	1,075	149	1,925	1,950	271
200	225	30	1,075	1,100	152	1,950	1,975	275
225	250	33	1,100	1,125	156	1,975	2,000	278
250	275	37	1,125	1,150	159	2,000	2,025	282
275	300	40	1,150	1,175	163	2,025	2,050	285
300	325	44	1,175	1,200	166	2,050	2,075	289
325	350	47	1,200	1,225	170	2,075	2,100	292
350	375	51	1,225	1,250	173	2,100	2,125	296
375	400	54	1,250	1,275	177	2,125	2,150	299
400	425	58	1,275	1,300	180	2,150	2,175	303
425	450	61	1,300	1,325	184	2,175	2,200	306
450	475	65	1,325	1,350	187	2,200	2,225	310
475	500	68	1,350	1,375	191	2,225	2,250	313
500	525	72	1,375	1,400	194	2,250	2,275	317
525	550	75	1,400	1,425	198	2,275	2,300	320
550	575	79	1,425	1,450	201	2,300	2,325	324
575	600	82	1,450	1,475	205	2,325	2,350	327
600	625	86	1,475	1,500	208	2,350	2,375	331
625	650	89	1,500	1,525	212	2,375	2,400	334
650	675	93	1,525	1,550	215	2,400	2,425	338
675	700	96	1,550	1,575	219	2,425	2,450	341
700	725	100	1,575	1,600	222	2,450	2,475	345
725	750	103	1,600	1,625	226	2,475	2,500	348
750	775	107	1,625	1,650	229	2,500	or more	350
775	800	110	1,650	1,675	233			
800	825	114	1,675	1,700	236			
825	850	117	1,700	1,725	240			
850	875	121	1,725	1,750	243			

Caution The credit allowed certain persons may be less than the amount indicated. See "Special Cases" on page 15.

New Line 19 Working Families Tax Credit

If your income is less than the amount indicated below for your filing status, you may claim the working families tax credit.

Exception You may not claim the working families tax credit if you may be claimed as a dependent on another person's (for example, your parent's) income tax return.

Single, Head of Household, or Married Filing Separate Return

- If the amount on line 13 of Form 1 is \$9,000 or less, your credit is equal to your tax. Fill in the amount from line 14 of Form 1 on line 19.
- If the amount on line 13 of Form I is more than \$9,000 but less than \$10,000, use the worksheet on page 18 to compute your credit.
- If the amount on line 13 of Form 1 is \$10,000 or more, fill in -0- on line 19. You do not qualify for the working families tax credit.

Married Filing Joint Return

- If the amount on line 13 of Form 1 is \$18,000 or less, your credit is equal to your tax. Fill in the amount from line 14 of Form 1 on line 19.
- If the amount on line 13 of Form I is more than \$18,000 but less than \$19,000, use the worksheet on page 18 to compute your credit.
- If the amount on line 13 of Form 1 is \$19,000 or more, fill in -0- on line 19. You do not qualify for the working families tax credit.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-34137

JK:.....

JG
BWR

in 8-13-99

gen

1 AN ACT ^{gen} relating to: the married persons individual income tax credit. ✓

Analysis by the Legislative Reference Bureau

Under current law, married persons that file a joint individual income tax return receive a tax credit equal to a percentage of one spouse's earned income. For taxable years beginning after December 31, 1999, and ending before January 1, 2001, the tax credit is 2.75% of the earned income of the spouse with the lower earned income, but not more than \$385. For taxable years beginning after December 31, 2000, the tax credit is 3% of the earned income of the spouse with the lower earned income, but not more than \$420.

Under this bill, for taxable years beginning after December 31, 1999, and ending before January 1, 2001, the tax credit for married persons that file a joint individual income tax return is 2.75% of the earned income of the spouse with the lower earned income or 2.75% of \$10,000, whichever is greater, but not more than \$385. For taxable years beginning after December 31, 2000, the tax credit is 3% of the earned income of the spouse with the lower earned income or 3% of \$10,000, whichever is greater, but not more than \$420. ✓

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:

2 SECTION 1. 71.07 (6) (am) 2. c. of the statutes is amended to read: ✓

1 71.07 (6) (am) 2. c. For taxable years beginning after December 31, 1999, and
2 before January 1, 2001, 2.75% of the earned income of the spouse with the lower
3 earned income or 2.75% of \$10.000, whichever is greater, but not more than \$385.

4 **SECTION 2.** 71.07 (6) (am) 2. d. of the statutes is amended to read:

5 71.07 (6) (am) 2. d. For taxable years beginning after December 31, 2000, 3%
6 of the earned income of the spouse with the lower earned income or 3% of \$10.000,
7 whichever is greater. but not more than \$420.

8 **SECTION 3. Initial applicability.**

9 (1) ~~MARRIED PERSONS CREDIT.~~ This act first applies to taxable years beginning
10 on January 1, 2000.

11 (END)

**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: 08/18/1999

To: Representative Powers

Relating to LRB drafting number: LRB-34 13

Topic

married persons credit; \$10,000 of assumed earned income

Subject(s)

Tax - individual income, Tax Credits - miscellaneous

1. **JACKET** the draft for introduction _____

in the **Senate** ____ or the **Assembly** (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.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____

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.

Joseph T. Kreye, Legislative Attorney
Telephone: (608) 266-2263