

1999 ASSEMBLY BILL 762

February 17, 2000 – Introduced by Representatives POWERS, BLACK, BRANDEMUEHL, GRONEMUS, MILLER, MUSSER, OLSEN and PETTIS, cosponsored by Senators MOORE and DRZEWIECKI. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.07 (5m) (b) 2. (intro.), 71.07 (5m) (b) 2. a., 71.07 (5m) (b) 4.
2 (intro.), 71.07 (5m) (b) 4. a., 71.07 (5m) (b) 6. (intro.) and 71.07 (5m) (b) 6. a. of
3 the statutes; **relating to:** increasing the working families tax credit.

Analysis by the Legislative Reference Bureau

The working families income tax credit is a nonrefundable credit which may be claimed by an individual or by an individual and his or her spouse. As a nonrefundable credit, it may be claimed only up to the amount of the taxpayer's income tax liability.

Under current law, for a single individual whose adjusted gross income is less than \$9,000, for a married individual filing separately whose adjusted gross income is less than \$9,000, or for a married couple filing jointly whose combined adjusted gross income is less than \$18,000, the credit is equal to the claimant's net tax liability. Also under current law, the credit phases out to zero as a single person's or married separate filer's adjusted gross income increases from \$9,000 to \$10,000. A similar phase-out occurs for a married joint filer whose combined adjusted gross income increases from \$18,000 to \$19,000.

This bill increases the credit by increasing the range over which the credit phases out to zero. Under the bill, the credit phases out to zero as a single person's or married separate filer's adjusted gross income increases from \$9,000 to \$12,000. A similar phase-out occurs for a married joint filer whose combined adjusted gross income increases from \$18,000 to \$21,000.

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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.** 71.07 (5m) (b) 2. (intro.) of the statutes is amended to read:

2 71.07 **(5m)** (b) 2. (intro.) If the claimant is single and his or her adjusted gross
3 income is at least \$9,000 but less than ~~\$10,000~~ \$12,000 in the year to which the claim
4 relates, an amount that is calculated as follows:

5 **SECTION 2.** 71.07 (5m) (b) 2. a. of the statutes is amended to read:

6 71.07 **(5m)** (b) 2. a. Calculate the value of a fraction, the denominator of which
7 is ~~\$1,000~~ \$3,000 and the numerator of which is the difference between the claimant's
8 adjusted gross income and \$9,000.

9 **SECTION 3.** 71.07 (5m) (b) 4. (intro.) of the statutes is amended to read:

10 71.07 **(5m)** (b) 4. (intro.) If the claimant is married and filing jointly and the
11 sum of the claimant's adjusted gross income and his or her spouse's adjusted gross
12 income is at least \$18,000 but less than ~~\$19,000~~ \$21,000 in the year to which the
13 claim relates, an amount that is calculated as follows:

14 **SECTION 4.** 71.07 (5m) (b) 4. a. of the statutes is amended to read:

15 71.07 **(5m)** (b) 4. a. Calculate the value of a fraction, the denominator of which
16 is ~~\$1,000~~ \$3,000 and the numerator of which is the difference between the married
17 couple's adjusted gross income and \$18,000.

18 **SECTION 5.** 71.07 (5m) (b) 6. (intro.) of the statutes is amended to read:

19 71.07 **(5m)** (b) 6. (intro.) If the claimant is married and filing separately and
20 his or her adjusted gross income is at least \$9,000 but less than ~~\$10,000~~ \$12,000 in
21 the year to which the claim relates, an amount that is calculated as follows:

