1999 SENATE BILL 192

June 10, 1999 – Introduced by Senators Darling, Panzer, Zien, Robson, Schultz, Drzewiecki and Roessler, cosponsored by Representatives Seratti, Stone, Suder, Gundrum, Porter, Nass, Petrowski, Staskunas, Gunderson, Owens, Rhoades, Plale, Musser, Hahn, Gronemus, Brandemuehl, Albers, Goetsch, Meyer, Black, Ziegelbauer, Hasenohrl and Meyerhofer. Referred to Committee on Economic Development, Housing and Government Operations.

- 1 AN ACT *to amend* 71.08 (1) (intro.); and *to create* 71.07 (6m) and 71.10 (4) (cm)
- of the statutes; **relating to:** creating a nonrefundable income tax credit for
- 3 individuals who care for elderly relatives.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit that may be claimed by an individual who provides more than 50% of the support to an elderly relative. Under the bill, an "elderly relative" is an individual who is at least 60 years old and is related to the claimant as a parent, grandparent, brother, sister, aunt, uncle or first cousin. The elderly relative must live with the claimant for the entire taxable year to which the claim relates. The credit may be claimed for up to \$1,000 of costs incurred by the claimant in providing support to his or her elderly relative. Because the credit is nonrefundable, it is available only up to the amount of the claimant's tax liability.

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:

- **SECTION 1.** 71.07 (6m) of the statutes is created to read:
- 5 71.07 **(6m)** IN-HOME CARE TAX CREDIT. **(a)** *Definitions*. In this subsection:

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- 1. "Claimant" means an individual who provides more than 50% of the support for an elderly relative in the taxable year to which a claim under this subsection relates.
- 2. "Elderly relative" means an individual who is at least 60 years old in the year to which a claim under this subsection relates; is the claimant's parent, grandparent, brother, sister, aunt, uncle or first cousin; and is related to the claimant by blood, marriage or adoption.
- (b) *Filing claims*. Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of those taxes, an amount up to \$1,000 each taxable year for costs incurred by the claimant in providing support for an elderly relative who lives with the claimant for the entire taxable year to which the claim relates.
- (c) *Limitations*. 1. No credit may be allowed under this subsection unless it is claimed within the time period under s. 71.75 (2).
- 2. For a claimant who is a nonresident or part–year resident of this state and who is a single person or a married person filing a separate return, multiply the credit for which the claimant is eligible under par. (b) by a fraction the numerator of which is the individual's Wisconsin adjusted gross income and the denominator of which is the individual's federal adjusted gross income. If a claimant is married and files a joint return, and if the claimant or the claimant's spouse, or both, are nonresidents or part–year residents of this state, multiply the credit for which the claimant is eligible under par. (b) by a fraction the numerator of which is the couple's joint Wisconsin adjusted gross income and the denominator of which is the couple's joint federal adjusted gross income.

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| (d) Administration. | Subsection (9e) (d), to the extent that it applies to the cred | it |
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| under that subsection, ap | oplies to the credit under this subsection. | |

SECTION 2. 71.08 (1) (intro.) of the statutes is amended to read:

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

- **SECTION 3.** 71.10 (4) (cm) of the statutes is created to read:
- 14 71.10 **(4)** (cm) The in-home care tax credit under s. 71.07 (6m).

15 **Section 4. Initial applicability.**

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

20 (END)