

## 1999 SENATE BILL 285

November 9, 1999 - Introduced by Senator CLAUSING. Referred to Joint survey committee on Tax Exemptions.

1     **AN ACT** *to renumber* 71.05 (1) (a); and *to create* 71.05 (1) (a) 2. of the statutes;  
2             **relating to:** exempting from income taxation the pension benefits of certain  
3             teachers who taught in other states.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the pension benefits of certain public employees are exempt from state taxation. The pensions that are exempt include payments received from the U.S. civil service retirement system, the U.S. military employe retirement system, the Milwaukee city and county retirement systems, the police officer's annuity and benefit fund of Milwaukee, the Milwaukee public school teachers' retirement fund, the Wisconsin state teachers' retirement fund and the sheriff's annuity and benefit fund of Milwaukee County. For all of these pension plans, the exemption applies only to persons who were members of or retired from the plans as of December 31, 1963.

This bill creates a similar exemption for certain public school teachers who taught in other states. Under the bill, if a teacher lived in Wisconsin on December 31, 1963, and taught at a public elementary or secondary school in another state on December 31, 1963, the pension income received by that teacher from the state in which he or she taught is exempt from taxation by this state.

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 this bill.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 71.05 (1) (a) of the statutes is renumbered 71.05 (1) (a) 1.

2           **SECTION 2.** 71.05 (1) (a) 2. of the statutes is created to read:

3           71.05 **(1)** (a) 2. All payments received from the retirement system of another  
4 state, or from the retirement system of a local unit of government that is in another  
5 state, by a retired public elementary or secondary school teacher who taught at a  
6 public elementary or secondary school in another state on December 31, 1963, and  
7 resided in Wisconsin on December 31, 1963, to the extent that the payments relate  
8 to the retired teacher's work as a public elementary or secondary school teacher in  
9 another state, but such exemption shall not exclude from gross income tax sheltered  
10 annuity benefits.

11           **SECTION 3. Initial applicability.**

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

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**(END)**