

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/23/99

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Assembly Republican Caucus 6-1452

By/Representing: Kratochwill

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact:

Alt. Drafters:

Subject: Tax - individual income

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - Am # 155,

Topic:

Income tax credit for active duty overseas armed forces members

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>Required</u>
/1	shoveme 06/23/99	gilfokm 06/23/99	hhagen 06/23/99	_____	lrb_docadmin 06/24/99		
/2	shoveme 06/24/99	gilfokm 06/24/99	kfollet 06/24/99	_____	lrb_docadmin 06/24/99		

FE Sent For:

<END>

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/23/99

Received By: **shoveme**

Wanted: As time permits

Identical to LRB:

For: Assembly Republican Caucus 6-1452

By/Representing: **Kratochwill**

This file may be shown to any legislator: NO

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income**

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - Am # 155,

Topic:

Income tax ~~exemption~~ ^{credit} for active duty overseas armed forces members

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>Required</u>
/1	shoveme 06/23/99	gilfokm 06/23/99	hhagen 06/23/99	_____	lrb_docadmin 06/24/99		
FE Sent For:		12-6-29 Kmg	KJF 6/24	KJF/Km 6/24 <END>			

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: 06/23/99

Received By: shoveme

Wanted: As time permits

Identical to LRB:

For: Assembly Republican Caucus 6-1452

By/Representing: Kratochwill

This file may be shown to any legislator: NO

Drafter: shoveme

May Contact:

Alt. Drafters:

Subject: Tax - individual income

Extra Copies:

Pre Topic:

ARC:.....Kratochwill - Am # 155,

Topic:

Income tax exemption for active duty overseas armed forces members

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>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

/1 shoveme

1-6-23

KMG

11 MES 6/23/99

~~KMG~~
JIS
6/23

FE Sent For:

<END>

Budget Amendments 1999- 2000

Statement of Intent

Department of Revenue. Creates an individual income tax exemption for all income received from the federal government by an individual on active duty in the U.S. military whose federal adjusted gross income is equal to or less than 200-percent of the federal poverty line.

Legislator

Hundertmark

Amendment#

155

Staff contact

Jason

Status

Pass-Amen

Agency

Revenue

Tax Cut**Summary**

Currently, payments received as a member of the U.S. Armed Forces are generally taxable, including basic pay, special pay, bonuses and other payments.

This amendment creates an individual state income tax exemption for all income received from the federal government by an individual on active duty in the U.S. military whose federal adjusted gross income is equal to or less than 200-percent of the federal poverty line.

Amend the motion to specify that this provision only applies to people stationed overseas, the effective date of the exemption does not start until the second year of the biennium, and the tax exemption would be a non-refundable exemption of \$200 for single filers and \$400 for married tax filers.

Fiscal Impact

According to the Legislative Fiscal Bureau, exempting all military income of active duty personnel with total income below 200-percent of the federal poverty level is estimated to cost \$5.1 million annually.

ARC Analyst

Miller

Request#:

38

Budget Amendments 1999- 2000

Statement of Intent

Department of Revenue. Creates an individual income tax exemption for all income received from the federal government by an individual on active duty in the U.S. military whose federal adjusted gross income is equal to or less than 200-percent of the federal poverty line.

Legislator

Hundertmark

Amendment#

155

Staff contact

Jason

Status

Agency

Revenue

Tax Cut

Summary

Currently, payments received as a member of the U.S. Armed Forces are generally taxable, including basic pay, special pay, bonuses and other payments.

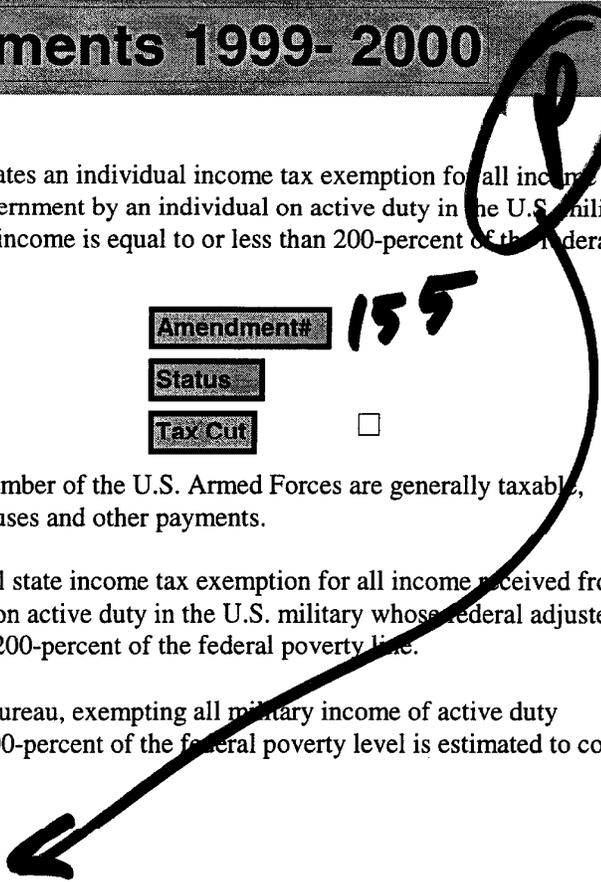
This amendment creates an individual state income tax exemption for all income received from the federal government by an individual on active duty in the U.S. military whose federal adjusted gross income is equal to or less than 200-percent of the federal poverty line.

Fiscal Impact

According to the Legislative Fiscal Bureau, exempting all military income of active duty personnel with total income below 200-percent of the federal poverty level is estimated to cost \$5.1 million annually.

ARC Analyst

Miller

- 
1. non-refundable
\$200 - single
\$400 - married, vt. return
 2. only applies to people stationed overseas
 3. don't start til 2nd yr of biennium



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1205/1

MES...:i:...

King

ARC:.....Kratochwill - Am # 155, Income tax exemption for active duty overseas armed forces members

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

D-note

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 836, line 7: after that line insert:

3 "SECTION 1688j. 71.05 (6) (b) 31. of the statutes is created to read:

4 71.05 (6) (b) 31. For taxable years that begin after December 31, 2000, an

5 amount of basic, special or incentive pay income, as those terms are used in 37 USC

6 chapters 3 and 5, received from the federal government by an individual who is on

7 active duty in the U.S. armed forces, as defined in 26 USC 7701 (a) (15), who is

8 stationed outside of the United States and whose federal adjusted gross income is

9 equal to or less than 200% of the federal poverty line as determined under 42 USC

10 9902 (2), specified as follows:

a separate return

1 a. If the individual is single or a married person who files ~~separately~~ ^a *return* \$200.

2 b. If the individual is married and files ^a *return* ~~jointly~~ \$400.”

3 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1205/1dn

MES...*king*

Please review this amendment carefully to ensure that it meets your intent; the instructions were a little unclear. For example, I'm not sure if you wanted the initial applicability to be taxable years that begin after December 31, 1999 or 2000, as specified in the amendment.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: Marc.Shovers@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1205/1dn
MES:kmg:ksh

June 23, 1999

Please review this amendment carefully to ensure that it meets your intent; the instructions were a little unclear. For example, I'm not sure if you wanted the initial applicability to be taxable years that begin after December 31, 1999, or 2000, as specified in the amendment.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: Marc.Shovers@legis.state.wi.us

b/205

Kelsie: clearly; changed to a credit - ^{no income} limit

1) b 205 is supposed to be a ~~a~~ nonrefundable credit

2) no. 200% of fed poverty level income limit

3) Init app: 1/1/2000

4) Credit for ^{up to} ~~for~~ \$200 of mil income received ~~if~~ while stationed overseas

5) if married, \$400 of both spouses are in mil, stationed overseas

★★★
6/24/99
Instructions from
Kelsie Doty, LFB
for / 2 to b/205



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1205/2
MES:kmg:ash

(PMT)

ARC:.....Kratochwill - Am # 155, Income tax ~~exemption~~ *credit* for active duty overseas armed forces members

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION
CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133

D-woce

Fix Request Sheet

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 836, line 7: after that line insert:

3 "SECTION 1688j. 71.05 (6) (b) 31. of the statutes is created to read:

4 71.05 (6) (b) 31. For taxable years that begin after December 31, 2000, an
5 amount of basic, special or incentive pay income, as those terms are used in 37 USC
6 chapters 3 and 5, received from the federal government by an individual who is on
7 active duty in the U.S. armed forces, as defined in 26 USC 7701 (a) (15), who is
8 stationed outside of the United States and whose federal adjusted gross income is
9 equal to or less than 200% of the federal poverty line as determined under 42 USC
10 9902 (2), specified as follows:



1 a. If the individual is single or a married person who files a separate return,
2 \$200.

3 b. If the individual is married and files a joint return, \$400.”

4 (END)

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1205/2ins
MES:kmg:ksh

1 ✓ 1. Page 850, line 3: after that line insert:

2 "SECTION 1715m. 71.07 (6m) of the statutes is created to read:

3 71.07 (6m) ARMED FORCES MEMBER TAX CREDIT. (a) *Definitions*. In this
4 subsection:

5 1. "Claimant" means an active duty member of the U.S. armed forces, as
6 defined in 26 USC 7701 (a) (15).

7 2. "Military income" means an amount of basic, special or incentive pay income,
8 as those terms are used in 37 USC chapters 3 and 5, received by a claimant from the
9 federal government.

10 (b) *Filing claims*. Subject to the limitations and conditions provided in this
11 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02,
12 up to the amount of those taxes, an amount up to \$200 of military income for services
13 performed by the claimant while he or she is stationed outside of the United States.

14 (c) *Limitations and conditions*. 1. No credit may be allowed under this
15 subsection unless it is claimed within the time period under s. 71.75 (2).

16 2. Part-year residents and nonresidents of this state are not eligible for the
17 credit under this subsection.

18 3. If both spouses of a married couple meet the definition of claimant under par.
19 (a) 1., each spouse may claim the credit under this subsection.

20 (d) *Administration*. Subsection (9e) (d), to the extent that it applies to the credit
21 under that subsection, applies to the credit under this subsection."

22 ✓ 2. Page 851, line 2: after "(6)" insert "(6m)".

23 3. Page 851, line 7: after that line insert:

1 "SECTION 1719j. 71.10 (4) (cm) of the statutes is created to read:

2 71.10 (4) (cm) The armed forces member tax credit under s. 71.07 (6m)."

3 ✓ 4. Page 1599, line 2: after "71.08 (1) (intro.)" insert "to the extent that it
4 relates to ~~the creation of~~ the sustainable urban development zone credit".

5 ✓ 5. Page 1599, line 10: after that line insert:

6 "201y (6m) ARMED FORCES MEMBER TAX CREDIT. The treatment of sections 71.07
7 (6m), 71.08 (1) (intro.) ~~to the extent that~~ it relates to ~~the creation of~~ the armed forces
8 member tax credit) and 71.10 (4) (cm) of the statutes first applies to taxable years
9 that begin on January 1, 2000."

(as)

(END)

D-note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1205/2dn
MES:kmg:ksh

This version of the amendment is not based on the written instructions contained in ARC amendment # 155, but is based on verbal instructions *that* I received on June 24, 1999, from Kelsie Doty of the Legislative Fiscal Bureau.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: Marc.Shovers@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb1205/2dn
MES:kmg:kjf

June 24, 1999

This version of the amendment is not based on the written instructions contained in ARC amendment # 155, but is based on verbal instructions that I received on June 24, 1999, from Kelsie Doty of the Legislative Fiscal Bureau.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: Marc.Shovers@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1205/2
MES:kmg:kjf

ARC:.....Kratochwill – Am # 155, Income tax credit for active duty overseas
armed forces members

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 850, line 3: after that line insert:

3 **“SECTION 1715m.** 71.07 (6m) of the statutes is created to read:

4 71.07 (6m) ARMED FORCES MEMBER TAX CREDIT. (a) *Definitions.* In this
5 subsection:

6 1. “Claimant” means an active duty member of the U.S. armed forces, as
7 defined in 26 USC 7701 (a) (15).

8 2. “Military income” means an amount of basic, special or incentive pay income,
9 as those terms are used in 37 USC chapters 3 and 5, received by a claimant from the
10 federal government.

1 (b) *Filing claims.* Subject to the limitations and conditions provided in this
2 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02,
3 up to the amount of those taxes, an amount up to \$200 of military income for services
4 performed by the claimant while he or she is stationed outside of the United States.

5 (c) *Limitations and conditions.* 1. No credit may be allowed under this
6 subsection unless it is claimed within the time period under s. 71.75 (2).

7 2. Part-year residents and nonresidents of this state are not eligible for the
8 credit under this subsection.

9 3. If both spouses of a married couple meet the definition of claimant under par.
10 (a) 1., each spouse may claim the credit under this subsection.

11 (d) *Administration.* Subsection (9e)(d), to the extent that it applies to the credit
12 under that subsection, applies to the credit under this subsection.”.

13 **2.** Page 851, line 2: after “(6)” insert “, (6m)”.

14 **3.** Page 851, line 7: after that line insert:

15 “SECTION 1719j. 71.10 (4) (cm) of the statutes is created to read:

16 71.10 (4) (cm) The armed forces member tax credit under s. 71.07 (6m).”.

17 **4.** Page 1599, line 1: before that line insert:

18 “(20ty) ARMED FORCES MEMBER TAX CREDIT. The treatment of sections 71.07 (6m),
19 71.08 (1) (intro.) (as it relates to the armed forces member tax credit) and 71.10 (4)
20 (cm) of the statutes first applies to taxable years that begin on January 1, 2000.”.

21 **5.** Page 1599, line 2: after “71.08 (1) (intro.)” insert “(as it relates to the
22 sustainable urban development zone credit)”.

23 (END)