

**ASSEMBLY AMENDMENT 22,
TO ASSEMBLY AMENDMENT 2,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133**

June 29, 1999 – Offered by Representatives KRUG, WOOD and RICHARDS.

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

2 **1.** Page 36, line 20: delete lines 20 and 21.

3 **2.** Page 37, line 3: delete lines 3 to 6.

4 **3.** Page 39, line 5: delete lines 5 to 17.

5 **4.** Page 40, line 3: delete lines 3 and 4.

6 **5.** Page 40, line 4: after that line insert:

7 “265m. Page 265, line 3: after that line insert:

8 “(e) Property tax refund credit GPR S –0– –0–”.

9 **6.** Page 56, line 10: delete lines 10 to 23.

10 **7.** Page 60, line 5: delete lines 5 to 24.

1 **8.** Page 61, line 1: delete lines 1 to 23.

2 **9.** Page 62, line 1: delete lines 1 to 10 and substitute:

3 “291m. Page 395, line 4: after that line insert:

4 “**SECTION 609s.** 20.835 (2) (e) of the statutes is created to read:

5 20.835 **(2)** (e) *Property tax refund credit.* A sum sufficient to pay the claims
6 approved under s. 71.07 (7m).”.”.

7 **10.** Page 93, line 22: delete lines 22 and 23.

8 **11.** Page 94, line 1: delete lines 1 to 25.

9 **12.** Page 95, line 1: delete lines 1 to 13.

10 **13.** Page 243, line 8: after that line insert:

11 “594m. Page 841, line 25: delete the material beginning with that line and
12 ending with page 847, line 6, and substitute:

13 “**SECTION 1703e.** 71.06 (2e) of the statutes is amended to read:

14 71.06 **(2e)** BRACKET INDEXING. For taxable years beginning after December 31,
15 1998, the maximum dollar amount in each tax bracket, and the corresponding
16 minimum dollar amount in the next bracket, under subs. (1m) and (2) (c) and (d) shall
17 be increased each year by a percentage equal to the percentage change between the
18 U.S. consumer price index for all urban consumers, U.S. city average, for the month
19 of August of the previous year and the U.S. consumer price index for all urban
20 consumers, U.S. city average, for the month of August of the year before the previous
21 year 1997, as determined by the federal department of labor. Each amount that is
22 revised under this subsection shall be rounded to the nearest multiple of \$10 if the
23 revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5,
24 such an amount shall be increased to the next higher multiple of \$10. The

1 department of revenue shall annually adjust the changes in dollar amounts required
2 under this subsection and incorporate the changes into the income tax forms and
3 instructions.”.”.

4 **14.** Page 243, line 9: delete the material beginning with that line and ending
5 with page 244, line 4.

6 **15.** Page 244, line 22: after that line insert:

7 “597m. Page 849, line 18: delete the material beginning with that line and
8 ending with page 850, line 6.”.

9 **16.** Page 247, line 2: after that line insert:

10 “599g. Page 850, line 3: after that line insert:

11 “**SECTION 1715m.** 71.07 (7m) of the statutes is created to read:

12 71.07 (7m) PROPERTY TAX REFUND CREDIT. (a) *Definitions.* In this subsection:

13 1. “Claimant” means an individual, or a married couple that files a joint return
14 or that files separate returns, who files a claim under this subsection.

15 2. “Department” means the department of revenue.

16 3. “Household” means a claimant and an individual related to the claimant as
17 husband or wife.

18 4. “Household income” means all Wisconsin adjusted gross income received by
19 all persons of a household in a calendar year while members of the household.

20 5. “Income” means Wisconsin adjusted gross income.

21 6. “Principal dwelling” means any dwelling, whether owned or rented, and the
22 land surrounding it that is reasonably necessary for use of the dwelling as a primary
23 dwelling of the claimant and may include a part of a multidwelling or multipurpose

1 building and a part of the land upon which it is built that is used as the claimant's
2 primary dwelling.

3 7. "Property taxes" means real and personal property taxes, exclusive of special
4 assessments, delinquent interest and charges for service, paid by a claimant on the
5 claimant's principal dwelling during the taxable year for which credit under this
6 subsection is claimed, less any property taxes paid which are properly includable as
7 a trade or business expense under section 162 of the Internal Revenue Code. If the
8 principal dwelling on which the taxes were paid is owned by 2 or more persons or
9 entities as joint tenants or tenants in common or is owned by spouses as marital
10 property, "property taxes" is that part of property taxes paid that reflects the
11 ownership percentage of the claimant. If the principal dwelling is sold during the
12 taxable year the "property taxes" for the seller and buyer shall be the amount of the
13 tax prorated to each in the closing agreement pertaining to the sale or, if not so
14 provided for in the closing agreement, the tax shall be prorated between the seller
15 and buyer in proportion to the months of their respective ownership. "Property
16 taxes" includes monthly parking permit fees in respect to a principal dwelling
17 collected under s. 66.058 (3) (c).

18 8. "Rent constituting property taxes" means 25% of rent if heat is not included,
19 or 20% of rent if heat is included, paid during the taxable year for which credit is
20 claimed under this subsection, at arm's length, for the use of a principal dwelling and
21 contiguous land, excluding any payment for domestic, food, medical or other services
22 which are unrelated to use of the dwelling as housing, less any rent paid that is
23 properly includable as a trade or business expense under the Internal Revenue Code.
24 "Rent" includes space rental paid to a landlord for parking a mobile home. Rent shall
25 be apportioned among the occupants of a principal dwelling according to their

1 respective contribution to the total amount of rent paid. “Rent” does not include rent
2 paid for the use of housing which was exempt from property taxation, except housing
3 for which payments in lieu of taxes were made under s. 66.40 (22).

4 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
5 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
6 amount of those taxes, one of the amounts calculated under this paragraph; except
7 that if the allowable amount of the claim exceeds the income taxes otherwise due on
8 the claimant’s income, and if the claimant’s household income is less than \$50,000,
9 the amount of the claim not used as an offset against those taxes shall be certified
10 by the department to the department of administration for payment to the claimant
11 by check, share draft or other draft from the appropriation under s. 20.835 (2) (e):

12 1. If the claimant is single or is married and files a joint income taxES return
13 and if the claimant’s income is less than \$8,000 in the year to which the claim relates,
14 80% of the property taxes accrued or rent constituting property taxes accrued or both
15 in that year on the claimant’s principal dwelling.

16 2. If the claimant is married and files a separate income tax return and if the
17 claimant’s income is less than \$4,000 in the year to which the claim relates, 80% of
18 the property taxes accrued or rent constituting property taxes accrued or both in that
19 year on the claimant’s principal dwelling.

20 3. If the claimant is single or is married and files a joint income tax return and
21 if the claimant’s income is at least \$8,000 but less than \$21,000 in the year to which
22 the claim relates, a percentage of the property taxes accrued or rent constituting
23 property taxes accrued or both in that year on the claimant’s principal dwelling that
24 is calculated as follows:

1 a. Calculate the value of a fraction, the denominator of which is \$13,000 and
2 the numerator of which is the difference between \$21,000 and the claimant's
3 household income.

4 b. Subtract from 1.0 the amount that is calculated under subd. 3. a.

5 c. Subtract the percentage of property taxes accrued in subd. 5. from the
6 percentage of property taxes accrued in subd. 1.

7 d. Multiply the percentage determined under subd. 3. c. by the number
8 calculated under subd. 3. b.

9 e. Subtract from the percentage of property taxes accrued in subd. 1. the
10 amount calculated in subd. 3. d.

11 4. If the claimant is married and files a separate income tax return and if the
12 claimant's income is at least \$4,000 but less than \$10,500 in the year to which the
13 claim relates, a percentage of the property taxes accrued or rent constituting
14 property taxes accrued or both in that year on the claimant's principal dwelling that
15 is calculated as follows:

16 a. Calculate the value of a fraction, the denominator of which is \$6,500 and the
17 numerator of which is the difference between \$10,500 and the claimant's household
18 income.

19 b. Subtract from 1.0 the amount that is calculated under subd. 4. a.

20 c. Subtract the percentage of property taxes accrued in subd. 5. from the
21 percentage of property taxes accrued in subd. 1.

22 d. Multiply the percentage determined under subd. 4. c. by the number
23 calculated under subd. 4. b.

24 e. Subtract from the percentage of property taxes accrued in subd. 1. the
25 amount calculated in subd. 4. d.

1 5. If the claimant is single and if the claimant's income is at least \$21,000 but
2 less than \$105,000 in the year to which the claim relates, 12.2% of the property taxes
3 accrued or rent constituting property taxes accrued or both in that year on the
4 claimant's principal dwelling.

5 6. If the claimant is married and files a joint income tax return and if the
6 claimant's income is at least \$21,000 but less than \$140,000 in the year to which the
7 claim relates, 12.2% of the property taxes accrued or rent constituting property taxes
8 accrued or both in that year on the claimant's principal dwelling.

9 7. If the claimant is married and files a separate income tax return and if the
10 claimant's income is at least \$10,500 but less than \$70,000 in the year to which the
11 claim relates, 12.2% of the property taxes accrued or rent constituting property taxes
12 accrued or both in that year on the claimant's principal dwelling.

13 8. If the claimant is single and if the claimant's income is at least \$105,000 but
14 less than \$115,000 in the year to which the claim relates, a percentage of the property
15 taxes accrued or rent constituting property taxes accrued or both in that year on the
16 claimant's principal dwelling that is calculated as follows:

17 a. Calculate the value of a fraction, the denominator of which is \$10,000 and
18 the numerator of which is the difference between \$115,000 and the claimant's
19 household income.

20 b. Subtract from 1.0 the amount that is calculated under subd. 8. a.

21 c. Subtract the percentage of property taxes accrued in subd. 11. from the
22 percentage of property taxes accrued in subd. 5.

23 d. Multiply the percentage determined under subd. 8. c. by the number
24 calculated under subd. 8. b.

1 e. Subtract from the percentage of property taxes accrued in subd. 5. the
2 amount calculated in subd. 8. d.

3 9. If the claimant is married and files a joint income tax return and if the
4 claimant's income is at least \$140,000 but less than \$150,000 in the year to which the
5 claim relates, a percentage of the property taxes accrued or rent constituting
6 property taxes accrued or both in that year on the claimant's principal dwelling that
7 is calculated as follows:

8 a. Calculate the value of a fraction, the denominator of which is \$10,000 and
9 the numerator of which is the difference between \$150,000 and the claimant's
10 household income.

11 b. Subtract from 1.0 the amount that is calculated under subd. 9. a.

12 c. Subtract the percentage of property taxes accrued in subd. 11. from the
13 percentage of property taxes accrued in subd. 5.

14 d. Multiply the percentage determined under subd. 9. c. by the number
15 calculated under subd. 9. b.

16 e. Subtract from the percentage of property taxes accrued in subd. 5. the
17 amount calculated in subd. 9. d.

18 10. If the claimant is married and files a separate income tax return and if the
19 claimant's income is at least \$70,000 but less than \$75,000 in the year to which the
20 claim relates, a percentage of the property taxes accrued or rent constituting
21 property taxes accrued or both in that year on the claimant's principal dwelling that
22 is calculated as follows:

23 a. Calculate the value of a fraction, the denominator of which is \$5,000 and the
24 numerator of which is the difference between \$75,000 and the claimant's household
25 income.

1 b. Subtract from 1.0 the amount that is calculated under subd. 10. a.

2 c. Subtract the percentage of property taxes accrued in subd. 11. from the
3 percentage of property taxes accrued in subd. 5.

4 d. Multiply the percentage determined under subd. 10. c. by the number
5 calculated under subd. 10. b.

6 e. Subtract from the percentage of property taxes accrued in subd. 5. the
7 amount calculated in subd. 10. d.

8 11. If the claimant is single and if the claimant's income is \$115,000 or more
9 in the year to which the claim relates, 10% of the property taxes accrued or rent
10 constituting property taxes accrued or both in that year on the claimant's principal
11 dwelling.

12 12. If the claimant is married and files a joint income tax return and if the
13 claimant's income is \$150,000 or more in the year to which the claim relates, 10% of
14 the property taxes accrued or rent constituting property taxes accrued or both in that
15 year on the claimant's principal dwelling.

16 13. If the claimant is married and files a separate income tax return and if the
17 claimant's income is \$75,000 or more in the year to which the claim relates, 10% of
18 the property taxes accrued or rent constituting property taxes accrued or both in that
19 year on the claimant's principal dwelling.

20 (c) *Limitations, general.* 1. No credit may be allowed under this subsection
21 unless it is claimed within the time period under s. 71.75 (2).

22 2. Part-year residents and nonresidents of this state are not eligible to claim
23 the credit under this subsection.

24 (d) *Property taxes accrued limitations.* The maximum property taxes accrued,
25 or rent constituting property taxes accrued, or both, that may be used in calculating

1 the credit under par. (b), with respect to any one household, may not exceed \$2,000
2 in 1999 or any subsequent calendar year, except that if the claimant is married and
3 files a separate return the maximum property taxes accrued, or rent constituting
4 property taxes accrued, or both, that may be used in calculating the credit under par.
5 (b), with respect to any one household, may not exceed \$1,000.

6 (e) *Administration.* The department may enforce the credit under this
7 subsection and may take any action, conduct any proceeding and proceed as it is
8 authorized in respect to taxes under this chapter. The income tax provisions in this
9 chapter relating to assessments, refunds, appeals, collection, interest and penalties
10 apply to the credit under this subsection.”.”.

11 **17.** Page 247, line 2: after that line insert:

12 “599m. Page 850, line 9: delete “1999” and substitute “1998”.

13 **18.** Page 247, line 4: after “(6m)” insert “. (7m)”.

14 **19.** Page 247, line 10: after that line insert:

15 “603m. Page 851, line 7: after that line insert:

16 “SECTION 1719k. 71.10 (4) (cn) of the statutes is created to read:

17 71.10 (4) (cn) Property tax refund credit under s. 71.07 (7m), to the extent that
18 the credit is nonrefundable.”.”.

19 **20.** Page 250, line 2: after “(2fd),” insert “property tax refund credit under s.
20 71.07 (7m), to the extent that the credit is refundable.”.

21 **21.** Page 250, line 4: after that line insert:

22 “605g. Page 851, line 17: delete the material beginning with that line and
23 ending with page 852, line 2.

24 605r. Page 853, line 9: delete lines 9 to 13.”.

1 **22.** Page 255, line 16: delete the material beginning with that line and ending
2 with page 256, line 12.

3 **23.** Page 262, line 10: delete the material beginning with that line and ending
4 with page 263, line 6.

5 **24.** Page 265, line 10: after that line insert:

6 “632e. Page 944, line 22: delete the material beginning with that line and
7 ending with page 945, line 13.

8 632m. Page 945, line 19: after that line insert:

9 “**SECTION 1764e.** 71.55 (11) of the statutes is created to read:

10 71.55 **(11)** SUNSET. No new claim may be filed under this subchapter for a
11 taxable year that begins after December 31, 1999, based on property taxes accrued
12 in the previous year.”.

13 632s. Page 946, line 4: delete the material beginning with that line and ending
14 with page 947, line 20.”.

15 **25.** Page 271, line 19: delete the material beginning with that line and ending
16 with page 272, line 22.

17 **26.** Page 500, line 3: delete lines 3 to 9.

18 **27.** Page 563, line 12: delete lines 12 to 16.

19 **28.** Page 570, line 15: delete lines 15 to 20.

20 **29.** Page 594, line 19: after that line insert:

21 “1163m. Page 1598, line 13: after that line insert:

22 “(14z) **PROPERTY TAX REFUND CREDIT.** The treatment of sections 20.835 (2) (e),
23 71.07 (7m), 71.08 (1) (intro.) (as it applies to the property tax refund credit) and 71.10

1 (4) (cn) and (i) of the statutes first applies to taxable years beginning on January 1,
2 1999.”.”.

3 **30.** Page 596, line 18: delete lines 18 to 22.

4 (END)