

1999 DRAFTING REQUEST

Senate Amendment (SA-SA1-SSA1-AB133)

Received: **06/30/99**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Mary Lazich (608) 266-5400**

By/Representing: **Sen. Lazich**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters: **isagerro
jkreye**

Subject: **Tax - individual income**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Income tax changes

Instructions:

See Attached. Combine b1564 with Sen. Lazich's rate cuts

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>
/?	shoveme 06/30/99	wjackson 06/30/99		_____			
/1			mclark 06/30/99	_____	lrb_docadmin 06/30/99	lrb_docadmin 06/30/99	

FE Sent For:

<END>

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1?	shoveme	1-6-30 KMG	MRC 6/30	CH/JF 6/30			

FE Sent For:

<END>

1999 - 2000 LEGISLATURE

b1632/1

LRB15641

MES&ISR&JK:kg:kjf

**SENATE AMENDMENT ,
TO SENATE AMENDMENT 1,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133**

RMNR

kg

- 1 At the locations indicated, amend the amendment as follows:
- 2 **1.** Page 56, line 8: delete lines 8 to 10.
- 3 **2.** Page 59, line 11: delete lines 11 to 13.
- 4 **3.** Page 67, line 18: delete the material beginning with that line and ending
5 with page 68, line 3.
- 6 **4.** Page 68, line 7: delete lines 7 to 10.
- 7 **5.** Page 96, line 5: delete lines 5 to 19.
- 8 **6.** Page 115, line 21: delete the material beginning with that line and ending
9 with page 116, line 11.
- 10 **7.** Page 142, line 19: delete lines 19 and 20.

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1 **8.** Page 195, line 21: delete the material beginning with that line and ending
with page 196, line 9.

2 **9.** Page 209, line 3: delete lines 3 to 19 and substitute:

3 “774m. Page 944, line 21: after that line insert:

4 **SECTION 1763.** 71.52 (5) of the statutes is amended to read:

5 71.52 (5) “Household income” means, for claims filed before 1999, all income
6 received by all persons of a household in a calendar year while members of the
7 household, less \$250 for each of the claimant’s dependents, as defined in section 152
8 of the Internal Revenue Code, who have the same principal abode as the claimant
9 for more than 6 months during the year to which the claim relates.
10

11 **SECTION 1763c.** 71.52 (5e) of the statutes is created to read:

12 71.52 (5e) “Household income” means, for claims filed in 1999, all income
13 received by all persons of a household in a calendar year while members of the
14 household, less \$330 for each of the claimant’s dependents, as defined in section 152
15 of the Internal Revenue Code, who have the same principal abode as the claimant
16 for more than 6 months during the year to which the claim relates.

17 **SECTION 1763d.** 71.52 (5g) of the statutes is created to read:

18 71.52 (5g) “Household income” means, for claims filed in 2000 and thereafter,
19 all income received by all persons of a household in a calendar year while members
20 of the household, less \$340 for each of the claimant’s dependents, as defined in
21 section 152 of the Internal Revenue Code, who have the same principal abode as the
22 claimant for more than 6 months during the year to which the claim relates.

23 **SECTION 1763e.** 71.54 (1) (d) (intro.) of the statutes is amended to read:

1 71.54 (1) (d) ~~1991 and thereafter to 1998~~. (intro.) The amount of any claim filed
2 in 1991 ~~and thereafter to 1998~~ and based on property taxes accrued or rent
3 constituting property taxes accrued during the previous year is limited as follows:

4 **SECTION 1763g.** 71.54 (1) (e) of the statutes is created to read:

5 71.54 (1) (e) 1999. The amount of any claim filed in 1999 and based on property
6 taxes accrued or rent constituting property taxes accrued during the previous year
7 is limited as follows:

8 1. If the household income was \$10,510 or less in the year to which the claim
9 relates, the claim is limited to 85% of the property taxes accrued or rent constituting
10 property taxes accrued or both in that year on the claimant's homestead.

11 2. If the household income was more than \$10,510 in the year to which the claim
12 relates, the claim is limited to 85% of the amount by which the property taxes accrued
13 or rent constituting property taxes accrued or both in that year on the claimant's
14 homestead exceeds 13.528% of the household income exceeding \$10,510.

15 3. No credit may be allowed if the household income of a claimant exceeds
16 \$23,890.

17 **SECTION 1763i.** 71.54 (1) (f) of the statutes is created to read:

18 71.54 (1) (f) 2000 and thereafter. The amount of any claim filed in 2000 and
19 thereafter and based on property taxes accrued or rent constituting property taxes
20 accrued during the previous year is limited as follows:

21 1. If the household income was \$10,720 or less in the year to which the claim
22 relates, the claim is limited to 85% of the property taxes accrued or rent constituting
23 property taxes accrued or both in that year on the claimant's homestead.

24 2. If the household income was more than \$10,720 in the year to which the claim
25 relates, the claim is limited to 85% of the amount by which the property taxes accrued

1 or rent constituting property taxes accrued or both in that year on the claimant's
2 homestead exceeds 13.489% of the household income exceeding \$10,720.

3 3. No credit may be allowed if the household income of a claimant exceeds
4 \$24,360.


5 **SECTION 1763k.** 71.54 (2) (b) 3. of the statutes is amended to read:

6 71.54 (2) (b) 3. In calendar year years 1990 ~~or any subsequent calendar year~~
7 to 1997, \$1,450.

8 **SECTION 1763L.** 71.54 (2) (b) 4. of the statutes is created to read:

9 71.54 (2) (b) 4. In calendar year 1998, \$1,810.

10 **SECTION 1763n.** 71.54 (2) (b) 5. of the statutes is created to read:

11 71.54 (2) (b) 5. In calendar year 1999 and any subsequent calendar year,
12 \$1,840.".". 

13 **10.** Page 217, line 20: delete the material beginning with that line and ending
14 with page 219, line 2.

15 **11.** Page 406, line 10: delete lines 10 to 14.

16 **12.** Page 422, line 3: delete lines 3 to 10.

17 **13.** Page 519, line 7: delete that line.

18 **14.** Page 519, line 23: delete the material beginning with that line and ending
19 with page 520, line 15.

20 **15.** Page 520, line 16: delete lines 16 to 21.

21 **16.** Page 540, line 9: delete that line and substitute:

22 "1312m. Page 1600, line 4: delete lines 4 to 6."

**SENATE AMENDMENT ,
TO SENATE AMENDMENT 1,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133**

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1 ~~At the locations indicated, amend the amendment as follows.~~

2 1. Page 198, line 19: delete the material beginning with that line and ending
3 with page 199, line 9 and substitute:

4 "SECTION 1. 71.06 (1m) (intro.) of the statutes is amended to read:

5 71.06 (1m) FIDUCIARIES, SINGLE INDIVIDUALS AND HEADS OF HOUSEHOLDS; AFTER
6 1997 ~~AND~~ 1998. (intro.) The tax to be assessed, levied and collected upon the taxable
7 incomes of all fiduciaries, except fiduciaries of nuclear decommissioning trust or
8 reserve funds, and single individuals and heads of households shall be computed at
9 the following rates for taxable years beginning after December 31, 1997, and before
10 January 1, 1999:

11 SECTION 2. 71.06 (1n) of the statutes is created to read:

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1 71.06 (1n) FIDUCIARIES, SINGLE INDIVIDUALS AND HEADS OF HOUSEHOLDS; 1999. The
2 tax to be assessed, levied and collected upon the taxable incomes of all fiduciaries,
3 except fiduciaries of nuclear decommissioning trust or reserve funds, and single
4 individuals and heads of households shall be computed at the following rates for
5 taxable years beginning after December 31, 1998, and before January 1, 2000:

- 6 (a) On all taxable income from \$0 to \$7,620, ~~4.74%~~ *4.74*
- 7 (b) On all taxable income exceeding \$7,620 but not exceeding \$15,240, ~~6.33%~~ *6.33*
- 8 (c) On all taxable income exceeding \$15,240, ~~6.73%~~ *6.73*

9 SECTION ~~7~~ *1696* 71.06 (1p) of the statutes is created to read:

10 71.06 (1p) FIDUCIARIES, SINGLE INDIVIDUALS AND HEADS OF HOUSEHOLDS; AFTER
11 1999. The tax to be assessed, levied and collected upon the taxable incomes of all
12 fiduciaries, except fiduciaries of nuclear decommissioning trust or reserve funds, and
13 single individuals and heads of households shall be computed at the following rates
14 for taxable years beginning after December 31, ~~2000~~ *1999*:

- 15 (a) On all taxable income from \$0 to \$~~15,240~~ *7,620*, ~~4.53%~~ *4.53*
- 16 (b) *On all taxable income exceeding \$7,620 but not exceeding \$15,240, 6.05%.*
- 16 (c) *On all taxable income exceeding \$15,240, 6.43%.*

17 SECTION ~~7~~ *1697* 71.06 (2) (c) (intro.) of the statutes is amended to read:

18 71.06 (2) (c) (intro.) For joint returns, for taxable years beginning after
19 December 31, 1997, and before January 1, 1999:

20 SECTION ~~7~~ *1698* 71.06 (2) (d) (intro.) of the statutes is amended to read:

21 71.06 (2) (d) (intro.) For married persons filing separately, for taxable years
22 beginning after December 31, 1997, and before January 1, 1999:

23 SECTION ~~7~~ *1699* 71.06 (2) (e) of the statutes is created to read:

24 71.06 (2) (e) For joint returns, for taxable years beginning after December 31,
25 1998, and before January 1, 2000:

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- 1. On all taxable income from \$0 to \$10,160, ~~4.74~~ ^{4.74} %.
- 2. On all taxable income exceeding \$10,160 but not exceeding \$20,320, ~~6.33~~ ^{6.33} %.
- 3. On all taxable income exceeding \$20,320, ~~6.73~~ ^{6.73} %.

SECTION ~~7~~ ¹⁷⁰⁰ 71.06 (2) (f) of the statutes is created to read:

71.06 (2) (f) For married persons filing separately, for taxable years beginning after December 31, 1998, and before January 1, 2000:

- 1. On all taxable income from \$0 to \$5,080, ~~4.74~~ ^{4.74} %.
- 2. On all taxable income exceeding \$5,080 but not exceeding \$10,160, ~~6.33~~ ^{6.33} %.
- 3. On all taxable income exceeding \$~~10,000~~ ^{10,160}, ~~6.73~~ ^{6.73} %.

SECTION ~~8~~ ¹⁷⁰¹ 71.06 (2) (g) of the statutes is created to read:

71.06 (2) (g) For joint returns, for taxable years beginning after December 31, 1999:

- 1. On all taxable income from \$0 to \$~~20,170~~ ^{10,160}, ~~4.53~~ ^{4.53} %.
- 2. ~~On all taxable income exceeding \$10,160 but not exceeding \$20,320, 6.05%.~~
- 3. ~~On all taxable income exceeding \$~~20,170~~ ^{20,320}, ~~6.43~~ ^{6.43} %.~~

SECTION ~~9~~ ¹⁷⁰² 71.06 (2) (h) of the statutes is created to read:

71.06 (2) (h) For married persons filing separately, for taxable years beginning after December 31, 1999:

- 1. On all taxable income from \$0 to \$~~10,380~~ ^{5,080}, ~~4.53~~ ^{4.53} %.
- 2. ~~On all taxable income exceeding \$5,080 but not exceeding \$10,160, 6.05%.~~
- 3. ~~On all taxable income exceeding \$~~10,380~~ ^{10,160}, ~~6.43~~ ^{6.43} %.~~

SECTION ~~10~~ ¹⁷⁰³ 71.06 (2e) of the statutes is amended to read:

71.06 (2e) BRACKET INDEXING. For taxable years beginning after December 31, 1998, and before January 1, 2000, the maximum dollar amount in each tax bracket, and the corresponding minimum dollar amount in the next bracket, under subs. (1m)

~~(1n)~~ and (2) (c) ~~(d), (e) and (f)~~, ^{→ add,} and for taxable years beginning after December 31, 1999, the maximum dollar amount in each tax bracket, and the corresponding

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1 minimum dollar amount in the next bracket, under subs. (1p) and (2)(g) and (h), shall
2 be increased each year by a percentage equal to the percentage change between the
3 U.S. consumer price index for all urban consumers, U.S. city average, for the month
4 of August of the previous year and the U.S. consumer price index for all urban
5 consumers, U.S. city average, for the month of August ~~of the year before the previous~~
6 year 1997, as determined by the federal department of labor. Each amount that is
7 revised under this subsection shall be rounded to the nearest multiple of \$10 if the
8 revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5,
9 such an amount shall be increased to the next higher multiple of \$10. The
10 department of revenue shall annually adjust the changes in dollar amounts required
11 under this subsection and incorporate the changes into the income tax forms and
12 instructions.

1704
13 **SECTION 11.** 71.06 (2m) of the statutes is amended to read:

14 71.06 (2m) RATE CHANGES. If a rate under sub. (1), (1m), (1n), (1p) or (2) changes
15 during a taxable year, the taxpayer shall compute the tax for that taxable year by the
16 methods applicable to the federal income tax under section 15 of the internal revenue
17 code.

1705
18 **SECTION 12.** 71.06 (2s) (b) of the statutes is amended to read:

19 71.06 (2s) (b) For taxable years beginning after December 31, 1997, and before
20 January 1, 1999, with respect to nonresident individuals, including individuals
21 changing their domicile into or from this state, the tax brackets under subs. (1m) and
22 (2) (c) and (d) shall be multiplied by a fraction, the numerator of which is Wisconsin
23 adjusted gross income and the denominator of which is federal adjusted gross
24 income. In this paragraph, for married persons filing separately "adjusted gross
25 income" means the separate adjusted gross income of each spouse, and for married

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1 persons filing jointly "adjusted gross income" means the total adjusted gross income
2 of both spouses. If an individual and that individual's spouse are not both domiciled
3 in this state during the entire taxable year, the tax brackets under subs. (1m) and
4 (2) (c) and (d) on a joint return shall be multiplied by a fraction, the numerator of
5 which is their joint Wisconsin adjusted gross income and the denominator of which
6 is their joint federal adjusted gross income.

7 **SECTION 13.** ¹⁷⁰⁶ 71.06 (2s) (c) of the statutes is created to read:

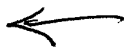
8 71.06 (2s) (c) For taxable years beginning after December 31, 1998, and before
9 January 1, 2000, with respect to nonresident individuals, including individuals
10 changing their domicile into or from this state, the tax brackets under subs. (1n) and
11 (2) (e) and (f) shall be multiplied by a fraction, the numerator of which is Wisconsin
12 adjusted gross income and the denominator of which is federal adjusted gross
13 income. In this paragraph, for married persons filing separately "adjusted gross
14 income" means the separate adjusted gross income of each spouse, and for married
15 persons filing jointly "adjusted gross income" means the total adjusted gross income
16 of both spouses. If an individual and that individual's spouse are not both domiciled
17 in this state during the entire taxable year, the tax brackets under subs. (1n) and (2)
18 (e) and (f) on a joint return shall be multiplied by a fraction, the numerator of which
19 is their joint Wisconsin adjusted gross income and the denominator of which is their
20 joint federal adjusted gross income.

21 **SECTION 14.** ¹⁷⁰⁷ 71.06 (2s) (d) of the statutes is created to read:

22 71.06 (2s) (d) For taxable years beginning after December 31, 1999, with
23 respect to nonresident individuals, including individuals changing their domicile
24 into or from this state, the tax brackets under subs. (1p) and (2) (g) and (h) shall be
25 multiplied by a fraction, the numerator of which is Wisconsin adjusted gross income

in 2-2

1 and the denominator of which is federal adjusted gross income. In this paragraph,
 2 for married persons filing separately "adjusted gross income" means the separate
 3 adjusted gross income of each spouse, and for married persons filing jointly "adjusted
 4 gross income" means the total adjusted gross income of both spouses. If an individual
 5 and that individual's spouse are not both domiciled in this state during the entire
 6 taxable year, the tax brackets under subs. (1p) and (2) (g) and (h) on a joint return
 7 shall be multiplied by a fraction, the numerator of which is their joint Wisconsin
 8 adjusted gross income and the denominator of which is their joint federal adjusted
 9 gross income." ' ' .



10 **2.** Page 201, line 7: delete the material beginning with that line and ending
 11 with page 202, line 23, and substitute:

12 ~~SECTION 1716p. 71.07 (9) (b) 1. of the statutes is amended to read:
 13 71.07 (9) (b) 1. Subject For taxable years beginning before January 1, 1998,
 14 subject to the limitations under this subsection and except as provided in subd. 2.,
 15 a claimant may claim as a credit against, but not to exceed the amount of, taxes under
 16 s. 71.02, 10% of the first \$2,000 of property taxes or rent constituting property taxes,
 17 or 10% of the first \$1,000 of property taxes or rent constituting property taxes of a
 18 married person filing separately.~~

19 **SECTION 1716r.** 71.07 (9) (b) 3. of the statutes is created to read:
 20 71.07 (9) (b) 3. For taxable years beginning after December 31, 1998, subject
 21 to the limitations under this subsection, a claimant may claim as a credit against,
 22 but not to exceed the amount of, taxes under s. 71.02, 12% of the first \$2,500 of
 23 property taxes or rent constituting property taxes, or 12% of the first \$1,250 of



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property taxes or rent constituting property taxes of a married person filing

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(separately)

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25. " 8

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Page 209, line 20

3. Page 203, line 13: delete lines 13 to 15.

insert that line insert: " 7740. " Page 944, line 22: delete lines 22 to

4

4. Page 209, line 3: delete lines 3 to 10

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5. Page 209, line 22: delete lines 22 and 23

and substitute:

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779m Page 947, line 4: delete "shall" and substitute "may not".

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779m Page 947, line 7: delete "on July 1, 2000" and substitute "before July 1,

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2001". "

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