

## 2001 ASSEMBLY BILL 139

February 19, 2001 - Introduced by Representatives POWERS, BLACK, MILLER, GRONEMUS, MUSSER, PETTIS, JESKEWITZ, M. LEHMAN, ALBERS, LEIBHAM, WILLIAMS, McCORMICK, BERCEAU and LA FAVE, cosponsored by Senators DARLING and SCHULTZ. Referred to Committee on Ways and Means.

1 **AN ACT to amend** 71.07 (5m) (b) 2. (intro.), 71.07 (5m) (b) 2. a., 71.07 (5m) (b) 4.  
2 (intro.), 71.07 (5m) (b) 4. a., 71.07 (5m) (b) 6. (intro.) and 71.07 (5m) (b) 6. a. of  
3 the statutes; **relating to:** increasing the working families tax credit.

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### *Analysis by the Legislative Reference Bureau*

The working families income tax credit is a nonrefundable credit which may be claimed by an individual or by an individual and his or her spouse. As a nonrefundable credit, it may be claimed only up to the amount of the taxpayer's income tax liability.

Under current law, for a single individual whose adjusted gross income is less than \$9,000, for a married individual filing separately whose adjusted gross income is less than \$9,000, or for a married couple filing jointly whose combined adjusted gross income is less than \$18,000, the credit is equal to the claimant's net tax liability. Also under current law, the credit phases out to zero as a single person's or married separate filer's adjusted gross income increases from \$9,000 to \$10,000. A similar phaseout occurs for a married joint filer whose combined adjusted gross income increases from \$18,000 to \$19,000.

This bill increases the credit by increasing the range over which the credit phases out to zero. Under the bill, the credit phases out to zero as a single person's or married separate filer's adjusted gross income increases from \$9,000 to \$12,000. A similar phaseout occurs for a married joint filer whose combined adjusted gross income increases from \$18,000 to \$21,000.

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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.** 71.07 (5m) (b) 2. (intro.) of the statutes is amended to read:

2           71.07 **(5m)** (b) 2. (intro.) If the claimant is single and his or her adjusted gross  
3 income is at least \$9,000 but less than ~~\$10,000~~ \$12,000 in the year to which the claim  
4 relates, an amount that is calculated as follows:

5           **SECTION 2.** 71.07 (5m) (b) 2. a. of the statutes is amended to read:

6           71.07 **(5m)** (b) 2. a. Calculate the value of a fraction, the denominator of which  
7 is ~~\$1,000~~ \$3,000 and the numerator of which is the difference between the claimant's  
8 adjusted gross income and \$9,000.

9           **SECTION 3.** 71.07 (5m) (b) 4. (intro.) of the statutes is amended to read:

10          71.07 **(5m)** (b) 4. (intro.) If the claimant is married and filing jointly and the  
11 sum of the claimant's adjusted gross income and his or her spouse's adjusted gross  
12 income is at least \$18,000 but less than ~~\$19,000~~ \$21,000 in the year to which the  
13 claim relates, an amount that is calculated as follows:

14          **SECTION 4.** 71.07 (5m) (b) 4. a. of the statutes is amended to read:

15          71.07 **(5m)** (b) 4. a. Calculate the value of a fraction, the denominator of which  
16 is ~~\$1,000~~ \$3,000 and the numerator of which is the difference between the married  
17 couple's adjusted gross income and \$18,000.

18          **SECTION 5.** 71.07 (5m) (b) 6. (intro.) of the statutes is amended to read:

19          71.07 **(5m)** (b) 6. (intro.) If the claimant is married and filing separately and  
20 his or her adjusted gross income is at least \$9,000 but less than ~~\$10,000~~ \$12,000 in  
21 the year to which the claim relates, an amount that is calculated as follows:

