

2001 DRAFTING REQUEST

Bill

Received: 02/14/2001

Received By: **shoveme**

Wanted: As time permits

Identical to LRB:

For: **Neal Kedzie (608) 266-9650**

By/Representing: **Rep. Kedzie**

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

Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Tax - individual income**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Increase the individual income tax personal exemptions for persons 65 and older

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 03/12/2001	wjackson 03/13/2001	martykr 03/14/2001	_____	lrb_docadmin 03/14/2001	lrb_docadminState 03/28/2001	Tax

FE Sent For:

<END>

↳ At Intro.

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1?	shoveme	1 gjs 3/13 a	3/15	3/14			
<i>11 WES 3/12/01</i>							

FE Sent For:

<END>

DAN JOHNSON

Shovers, Marc

From: Grant, Peter
Sent: Monday, February 12, 2001 4:40 PM
To: Shovers, Marc
Subject: FW: Drafting request: Graduated Tax exemption

request for you.

-----Original Message-----

From: Rep.Kedzie
Sent: Monday, February 12, 2001 4:40 PM
To: Grant, Peter
Subject: Drafting request: Graduated Tax exemption

Dear Peter,

This purpose of this correspondence is to formally request a draft of a legislative proposal. This proposal would modify the Wisconsin individual income tax with respect to the amount of additional personal exemption for individuals 65 and older.

Under SS. 71.05 (23) for the purposes of computing Wisconsin taxable income, an individual taxpayer may subtract the following amounts:

(b) For taxable years that begin after December 31, 2000:

71.05(23)(b)3.

3. An additional exemption of \$250 if the taxpayer has reached the age of 65 before the close of the taxable year to which his or her tax return relates and \$250 for the taxpayer's spouse if he or she has reached the age of 65 before the close of the taxable year to which his or her tax return relates, except if the spouse is filing separately or as a head of household.

I would like to create a graduated tax exemption under this section which will maintain current law (for taxable years after 12/31/00) of \$250 when the taxpayer reaches 65, then increase that amount to \$300 when the taxpayer reaches the age of 70, then increase that amount to \$350 when the taxpayer reaches the age of 75. For example, the language could be similar to 71.05 (23)(b)3, with the highlighted adjustments:

An additional exemption of \$300 if the taxpayer has reached the age of 70 before the close of the taxable year to which his or her tax return relates and \$300 for the taxpayer's spouse if he or she has reached the age of 70 before the close of the taxable year to which his or her tax return relates, except if the spouse is filing separately or as a head of household.

An additional exemption of \$350 if the taxpayer has reached the age of 75 before the close of the taxable year to which his or her tax return relates and \$350 for the taxpayer's spouse if he or she has reached the age of 75 before the close of the taxable year to which his or her tax return relates, except if the spouse is filing separately or as a head of household.

Thank you and please contact Dan Johnson in my office if you have any questions.

Sincerely,

Neal Kedzie
State Representative
43rd Assembly District



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-2530/

MES).....

RMR

cjs

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note

gen

- 1 AN ACT ..., relating to: increasing the amount of the individual income tax
- 2 personal exemption for certain older taxpayers.

Analysis by the Legislative Reference Bureau

Under current law for taxable years that begin after December 31, 2000, an individual income tax personal exemption exists in the amount of \$700 for each taxpayer who is required to file an income tax return and \$700 for the taxpayer's spouse, except if the spouse is filing separately or as a head of household. A taxpayer may also claim a \$700 exemption for each dependent for whom he or she is entitled to claim an exemption under the Internal Revenue Code. In general, an additional exemption of \$250 may be claimed by a taxpayer who has reached the age of 65 before the close of the taxable year to which his or her tax return relates.

This bill increases the additional exemption that may be claimed by taxpayers who reach the age of 70 or 75 before the close of the taxable year to which his or her tax return relates. Under the bill, in general, an additional exemption of \$300 may be claimed by a taxpayer who has reached the age of 70 before the close of the taxable year to which his or her tax return relates and an additional exemption of \$350 may be claimed by a taxpayer who has reached the age of 75 before the close of the taxable year to which his or her tax return relates.

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.

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

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

1 **SECTION 1.** 71.03 (2) (a) 1. of the statutes is amended to read:

2 71.03 (2) (a) 1. Every individual domiciled in this state during the entire
3 taxable year who has a gross income at or above a threshold amount which shall be
4 determined annually by the department of revenue. The threshold amounts shall
5 be determined for categories of individuals based on filing status and age, and shall
6 include categories for single individuals; individuals who file as a head of household;
7 married couples who file jointly; and married persons who file separately. The
8 threshold amounts shall also be determined by taking into account the exemption
9 amounts in s. 71.05 (23) (b) 1., 3., 4., and 5. The department of revenue shall establish
10 a threshold amount for each category of individual at an amount at which no
11 individual in that category whose gross income is below that amount has a state
12 income tax liability.

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 3, 39, 269, 301, 305, 315; 1993 a. 16, 112, 204, 213, 491; 1995 a. 255, 428; 1999 a. 9.

13 **SECTION 2.** 71.05 (23) (b) 3. of the statutes is amended to read:

14 71.05 (23) (b) 3. An Except for a taxpayer or his or her spouse who claims the
15 exemption under subds. 4. or 5., an additional exemption of \$250 if the taxpayer has
16 reached the age of 65 before the close of the taxable year to which his or her tax return
17 relates and \$250 for the taxpayer's spouse if he or she has reached the age of 65 before
18 the close of the taxable year to which his or her tax return relates, except if the spouse
19 is filing separately or as a head of household.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167.

20 **SECTION 3.** 71.05 (23) (b) 4. of the statutes is created to read:

1 71.05 (23) (b) 4. Except for a taxpayer or his or her spouse who claims the
2 exemption under subd. 5., an additional exemption of \$300 if the taxpayer has
3 reached the age of 70 before the close of the taxable year to which his or her tax return
4 relates and \$300 for the taxpayer's spouse if he or she has reached the age of 70 before
5 the close of the taxable year to which his or her tax return relates, except if the spouse
6 is filing separately or as a head of household.

7 **SECTION 4.** 71.05 (23) (b) 5. of the statutes is created to read:

8 71.05 (23) (b) 5. An additional exemption of \$350 if the taxpayer has reached
9 the age of 75 before the close of the taxable year to which his or her tax return relates
10 and \$350 for the taxpayer's spouse if he or she has reached the age of 75 before the
11 close of the taxable year to which his or her tax return relates, except if the spouse
12 is filing separately or as a head of household.

13 **SECTION 5. Initial applicability.**

14 (1) The treatment of section 71.03 (2) (a) 1. of the statutes first applies to
15 taxable years beginning on January 1, 2001.

16 **(END)**

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2530/?dn

MES...Y....

g
gs

Representative Kedzie:

If this bill is not enacted by approximately the end of July 2001, it will need to be redrafted to first apply to taxable years beginning after December 31, 2001.

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

LRB-2530/1dn
MES:cjs:km

March 14, 2001

Representative Kedzie:

If this bill is not enacted by approximately the end of July 2001, it will need to be redrafted to first apply to taxable years beginning after December 31, 2001.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
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State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
5TH FLOOR
MADISON, WI 53701-2037

STEPHEN R. MILLER
CHIEF

LEGAL SECTION: (608) 266-3561
LEGAL FAX: (608) 264-6948

March 14, 2001

MEMORANDUM

To: Representative Kedzie

From: Marc E. Shovers, Senior Legislative Attorney

Re: LRB-2530 Increase the individual income tax personal exemptions for persons 65 and older

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-0129 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.

04-13-01

2001 ASSEMBLY BILL 318

April 12, 2001 – Introduced by Representatives KEDZIE, STARZYK, GUNDRUM, WADE, LEIBHAM, PLALE, PETTIS, KRAWCZYK, OLSEN, MUSSER, RYBA, URBAN, HOVEN, OWENS, KREIBICH, D. MEYER, OTT, GUNDERSON, MCCORMICK, TOWNSEND, LADWIG and STONE, cosponsored by Senators ROSENZWEIG, DARLING and PLACHE. Referred to Committee on Ways and Means.

Fix → missing Tax Exemptions

- 1 AN ACT *to amend* 71.03 (2) (a) 1. and 71.05 (23) (b) 3.; and *to create* 71.05 (23)
- 2 (b) 4. and 71.05 (23) (b) 5. of the statutes; **relating to:** increasing the amount
- 3 of the individual income tax personal exemption for certain older taxpayers.

Analysis by the Legislative Reference Bureau

Under current law for taxable years that begin after December 31, 2000, an individual income tax personal exemption exists in the amount of \$700 for each taxpayer who is required to file an income tax return and \$700 for the taxpayer's spouse, except if the spouse is filing separately or as a head of household. A taxpayer may also claim a \$700 exemption for each dependent for whom he or she is entitled to claim an exemption under the Internal Revenue Code. In general, an additional exemption of \$250 may be claimed by a taxpayer who has reached the age of 65 before the close of the taxable year to which his or her tax return relates.

This bill increases the additional exemption that may be claimed by taxpayers who reach the age of 70 or 75 before the close of the taxable year to which his or her tax return relates. Under the bill, in general, an additional exemption of \$300 may be claimed by a taxpayer who has reached the age of 70 before the close of the taxable year to which his or her tax return relates and an additional exemption of \$350 may be claimed by a taxpayer who has reached the age of 75 before the close of the taxable year to which his or her tax return relates.

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.

04-13-01

2001 ASSEMBLY BILL 318

April 12, 2001 - Introduced by Representatives KEDZIE, STARZYK, GUNDRUM, WADE, LEIBHAM, PLALE, PETTIS, KRAWCZYK, OLSEN, MUSSER, RYBA, URBAN, HOVEN, OWENS, KREIBICH, D. MEYER, OTT, GUNDERSON, McCORMICK, TOWNSEND, LADWIG and STONE, cosponsored by Senators ROSENZWEIG, DARLING and PLACHE. Referred to Committee on Ways and Means. Referred to joint survey Committee on Tax Exemptions.

Fixed
- Added Tax Exemptions

- 1 AN ACT to amend 71.03 (2) (a) 1. and 71.05 (23) (b) 3.; and to create 71.05 (23)
- 2 (b) 4. and 71.05 (23) (b) 5. of the statutes; relating to: increasing the amount
- 3 of the individual income tax personal exemption for certain older taxpayers.

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State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF

May 1, 2001

MEMORANDUM

To: Representative Kedzie

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **2001 AB-318** (LRB-2530/1)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. I agree that the initial applicability provision should apply to every provision in the bill. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

May 1, 2001

TO: Marc Shovers
Legislative Reference Bureau

FROM: Dennis Collier
Department of Revenue

SUBJECT: Technical Memorandum on AB 318 – Increasing the Individual Income Tax
Personal Exemption for Persons 65 and Older

The Department wishes to make several comments regarding AB 318:

1. The provision for determining filing thresholds in sec. 71.03 (2)(a)1 first applies to taxable years beginning on January 1, 2001. However, there is no initial applicability date for the provisions that increase the exemption amounts in sections 71.05 (23)(b)3, 71.05 (23)(b)4, and 71.05 (23)(b)5. The sponsor may wish to assign to these sections the same initial applicability date as for the filing thresholds in sec. 71.03 (2)(a)1.
2. The sponsor may wish to include language that would change the initial applicability date of the bill to January 1, 2002 if the bill were to be enacted after July 1, 2001 in order to allow the Department sufficient time to make changes to tax forms and instructions.

If you have questions regarding this technical memorandum, please contact Meredith Krejny at 201-8984.

DC:MK: