

**2001 DRAFTING REQUEST**

**Bill**

Received: 02/07/2001

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Marlin Schneider (608) 266-0215**

By/Representing: **Judy**

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

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income**

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Individual income tax exemption for certain military pay

**Instructions:**

See Attached. Exempt from taxation all military pay received by an active duty member of the armed forces who is serving outside WI

**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 02/09/2001	jdyer 02/14/2001		_____			S&L Tax
/1			rschluet 02/15/2001	_____	lrb_docadmin 02/15/2001	lrb_docadmin 03/08/2001	

FE Sent For:

<END>

AT  
Intro.

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1?	shoveme	1 2/14 jld		SPG 2-15-01			
11 MES 2/9/01							

FE Sent For:

<END>

TO: Steve Miller  
FROM: Marlin Schneider  
RE: Additional 2001-2003 bill drafts  
DATE: February 5, 2001

1. Create a statute that would allow for a non-profit sanitary water district. Based upon the enclosed letter to Walter Seeger by Don Dyke 51% of the owners of the land within the proposed sanitary water district must sign a petition. As the letter so states, most of this particular township's residents live outside the state. Anyway, to simplify things a non-profit district without the petition requirements is what Marlin wants.
2. Ban competition contracts, i.e., if someone works for a company, that company cannot require a contract that states the person, if leaving the firm, cannot work for another company who is considered a competitor.
3. Expand and redefine education standards to include as basic skills: math, science, technology, english arts, foreign language, physical education, and "the arts".
4. No company may fire, terminate, discriminate against, or deny promotion to any employee who voluntarily discloses his or her salary.

5. A bill to completely exempt from paying taxes, residents serving in the uniformed services outside of the state.

*all taxes or just income?*

*if income, all income or just mil. pay?*

*only income from military pay*

*MS*

2001 1999 BILL

note

repen

1 AN ACT to create 71.05 (1) (g) of the statutes; relating to: creating an individual  
2 income tax exemption for military income received by certain members of the  
3 U.S. armed forces and sunsetting the armed forces member tax credit

FNS  
ANL

For taxable years beginning after December 31, 2000,  
Analysis by the Legislative Reference Bureau  
This bill exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. military and who is stationed outside of this state  
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 and local 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:

4 SECTION 1. 71.05 (6) (b) <sup>34</sup> of the statutes is created to read:  
5 71.05 (6) (b) <sup>34</sup> Any amount of basic, special, or incentive pay income, as those  
6 terms are used in 37 USC chapters 3 and 5, received from the federal government  
7 by an individual who is on active duty in the U.S. armed forces, as defined in 26 USC  
8 7701 (a)(15) and who is stationed outside of this state

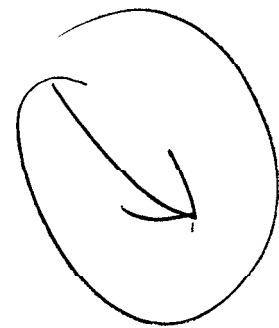
**BILL**

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**SECTION 2. Initial applicability.**

(1) This act first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31, this act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

(END)



**BILL**

1 **SECTION 1.** 71.05 (1) (am) of the statutes is created to read:

2 71.05 (1) (am) *Military income*. For taxable years that begin after December  
3 31, 2000, up to \$30,000 of military income received each year by an individual who  
4 is on active duty in the Armed Forces of the United States, as that term is used in  
5 26 USC 7701 (a) (15). In this paragraph, "military income" means an amount of  
6 basic, special, or incentive pay income, as those terms are used in 37 USC chapters  
7 3 and 5, received by the individual from the federal government.

8 **SECTION 2.** 71.07 (6m) (c) 4. of the statutes is created to read:

9 71.07 (6m) (c) 4. No new claims may be filed under this subsection for taxable  
10 years that begin after December 31, 2000.

11 (END)

~~A note~~

D-note  
↓

2001 BILL

*the credit may not be claimed by an individual*

1 AN ACT to create 71.05 (1) (am) and 71.07 (6m) (c) 4. of the statutes; relating to:  
2 exempting from income taxation certain amounts of military income received  
3 by active duty personnel and sunsetting the armed forces member tax credit.

*INS  
ANL*

Analysis by the Legislative Reference Bureau

Under current law, the armed forces member tax credit allows an active duty member of the U.S. armed forces to claim a nonrefundable individual income tax credit of up to \$200 in military income received each year from the federal government for services performed while the claimant is stationed outside of the United States. Because the credit is nonrefundable, no amount will be paid to the claimant by check if the credit he or she is due exceeds his or her tax liability.

Under this bill, no new claims may be made for the credit for taxable years that begin after December 31, 2000. *(end ins anl)*

~~For taxable years that begin after December 31, 2000, this bill also exempts from taxation up to \$30,000 of military income received each year by an individual who is an active duty member of the U.S. armed forces.~~

~~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:~~



DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LBB 02121/1dm -2467/1dm  
MES hmh:pg  
+jld

February 4, 2001 } new date

If this bill is not enacted by approximately July 31, 2001, it will need to be redrafted to advance the dates in the bill by one year.

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

\* # also, I sunset the armed forces <sup>member</sup> tax credit so that individuals whose income is exempt from taxation will not get a double benefit by being able to claim ~~and~~ a tax credit for some of that same <sup>tax exempt</sup> income. Is that OK?

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

LRB-2467/1dn  
MES:hmh&jld:rs

February 14, 2001

If this bill is not enacted by approximately July 31, 2001, it will need to be redrafted to advance the dates in the bill by one year.

Also, I sunset the armed forces member tax credit so that individuals whose income is exempt from taxation will not get a double benefit by being able to claim a tax credit for some of that same tax exempt income. Is that OK?

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



STEPHEN R. MILLER  
CHIEF

# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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

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

February 15, 2001

### MEMORANDUM

To: Representative Schneider

From: Marc E. Shovers, Senior Legislative Attorney

Re: LRB-2467 Individual income tax exemption for certain military pay

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.