

2001 ASSEMBLY BILL 413

May 18, 2001 - Introduced by Representatives MUSSER, RHOADES, SCHNEIDER, HUNDERTMARK, SYKORA, RYBA, BOYLE, WADE, SUDER, FREESE, McCORMICK, PETTIS, LASSA, HAHN, OWENS, TURNER, BIES, KREIBICH, NASS, JESKEWITZ, D. MEYER, FRISKE and GUNDERSON, cosponsored by Senators M. MEYER, SCHULTZ, ROSENZWEIG and DARLING. Referred to Committee on Veterans and Military Affairs. Referred to Joint survey committee on Tax Exemptions.

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

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.

For taxable years that begin after December 31, 2000, this bill also exempts from taxation all 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:

