

2001 DRAFTING REQUEST

Bill

Received: 05/03/2001

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Terry Musser (608) 266-7461**

By/Representing: **Kathy**

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

Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Tax - Individual Income**

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

No specific pre topic given

Topic:

Individual income tax exemption for active duty military pay

Instructions:


Exempt from taxation all military pay received by active duty members of the armed forces. Based on LRB -2121, but without the \$30,000 limit.

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 05/03/2001	hhagen 05/03/2001		_____			State Tax
/1			martykr 05/03/2001	_____	lrb_docadmin 05/03/2001	lrb_docadmin 05/16/2001	

FE Sent For:

<END>



At
Intro.

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/? shoveme

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*11 MES 5/3/01/llhmk
51301*

FE Sent For:

<END>

-3239/1

5/28

RMR

2001 BILL

D-note

regen

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 ~~of certain~~ ^{all} military income received

3 by active duty 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} ~~up to \$20,000 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:

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, ~~and \$30,000~~ ^{all} 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)

D-note

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

-3239/1
LBB-2121/ldn
MES/hmh:py
L stays

February 4, 2001
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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3239/1dn
MES:hmh:km

May 3, 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.

Marc E. Shovers
Senior Legislative Attorney
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State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

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STEPHEN H. MILLER
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LEGAL SECTION: (608) 266-3561
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May 3, 2001

MEMORANDUM

To: Representative Musser

From: Marc E. Shovers, Senior Legislative Attorney

Re: LRB-3239/1 Individual income tax exemption for active duty 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.