

**2001 DRAFTING REQUEST**

**Bill**

Received: 10/02/2001

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Mary Lazich (608) 266-5400**

By/Representing: **Lloyd**

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**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Individual income tax exemption for military pay, for reservists, national guard members, in Operation Enduring Freedom

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**Instructions:**

See Attached. Exempt from taxation military pay received by state reservists and national guard members who are activated for Operation Enduring Freedom

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**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 10/08/2001	csicilia 10/08/2001	kfollet 10/09/2001	_____	lrb_docadmin 10/09/2001		State Tax
/2	shoveme 10/09/2001	jdyer 10/09/2001	pgreensl 10/09/2001	_____	lrb_docadmin 10/09/2001	lrb_docadminState 10/12/2001	Tax

FE Sent For:

*Lat intro*

<END>

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/1	shoveme 10/08/2001	csicilia 10/08/2001	kfollet 10/09/2001	<del>_____</del>	lrb_docadmin 10/09/2001		State Tax

1/2 MES 10/9/01  
FE Sent For:  
1/2 10/9 jld  
199  
P8  
SELF  
<END>

### 2001 DRAFTING REQUEST

#### Bill

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By/Representing: **Lloyd**

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Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Tax - individual income**

Extra Copies:

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1?	shoveme	1 cjs 10/8/01	10/9	10/9			
11 MES 10/8/01							

FE Sent For:

<END>

## Shovers, Marc

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**From:** Nelson, Robert P.  
**Sent:** Thursday, October 04, 2001 10:22 AM  
**To:** Clark, Lloyd  
**Cc:** Shovers, Marc  
**Subject:** RE: Proposed Legislation

I did receive your request and sent it to Marc Shovers, who drafts in that tax area.

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

**From:** Clark, Lloyd  
**Sent:** Thursday, October 04, 2001 8:19 AM  
**To:** Nelson, Robert P.  
**Subject:** Proposed Legislation

I li Dob,

Just checking to make sure that you received my message on Tuesday about drafting legislation for us on exempting military pay from state taxes for reservists and National Guardsmen that are called up to active duty to fight the present war.

Thanks,

Lloyd Clark  
Legislative Assistant  
Office of State Senator  
Mary A. Lazich  
266-5400



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-3945/1

MES g:y:...

AMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

ejs

D-NOTE

WANTED  
Tues AM  
10/9

gen

1 AN ACT ...; relating to: creating an individual income tax exemption for pay  
2 received from the federal government by members of a reserve component of the  
3 armed forces participating in Operation Enduring Freedom, ←

**Analysis by the Legislative Reference Bureau**

This bill creates an individual income tax exemption for pay received from the federal government by a member of a reserve component of the armed forces participating in Operation Enduring Freedom. The exemption applies to a member of a reserve component of the armed forces who is activated for Operation Enduring Freedom. The exemption applies to any amount of military pay received by the person from the federal government if he or she is below the grade of commissioned officer, and up to \$500 per month of military pay received by the person if he or she is a commissioned officer.

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:**

4 SECTION 1. 71.05 (6) (b) 34. of the statutes is created to read:

1           71.05 (6) (b) 34. Any amount of basic, special, and incentive pay income or  
2 compensation, as those terms are used in 37 USC chapters 3 and 5, received from the  
3 federal government by a person who is a member of a reserve component of the U.S.  
4 armed forces, as defined in 26 USC 7701 (a) (15), and is below the grade of  
5 commissioned officer, for services performed for Operation Enduring Freedom. In  
6 this subdivision, “services performed for Operation Enduring Freedom” means  
7 service in a unit of the U.S. armed forces if all of the following apply:

8           a. The person is activated for Operation Enduring Freedom.

9           b. The service occurs during the period that there is in effect a designation by  
10 the president of the United States that the service is part of Operation Enduring  
11 Freedom.

12           ~~SECTION 2.~~ 71.05 (6) (b) 35. of the statutes is created to read:

13           71.05 (6) (b) 35. Up to \$500 per month of basic, special, and incentive pay  
14 income or compensation, as those terms are used in 37 USC chapters 3 and 5,  
15 received from the federal government by a person who is a member of a reserve  
16 component of the U.S. armed forces, as defined in 26 USC 7701 (a) (15), and is a  
17 commissioned officer, for services performed for Operation Enduring Freedom. In  
18 this subdivision, “services performed for Operation Enduring Freedom” means  
19 service in a unit of the U.S. armed forces if all of the following apply:

20           a. The person is activated for Operation Enduring Freedom.

21           b. The service occurs during the period that there is in effect a designation by  
22 the president of the United States that the service is part of Operation Enduring  
23 Freedom.

24           SECTION 3. Initial applicability.

1

(1) This act first applies to taxable years beginning on January 1, 2001. ✓

2

(END)



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

LRB-3945/?dn

MES:.....

*Handwritten signature/initials*

Senator Lazich:

This bill is drafted according to what I believe to be your instructions, in that the bill first applies to taxable years beginning on January 1, 2001. This initial applicability provision may cause administrative problems for the Department of Revenue because their tax forms and instructions are already printed for tax year 2001, and they obviously do not provide for the changes contained in this bill. Please let me know if you want any changes made to the bill.

*The provisions of this bill are based on S. 71.05 (6)(b) 13. and 14., which applied to Operation Desert Shield and Operation Desert Storm.*

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-3945/1dn  
MES:ejl:kjf

October 9, 2001

Senator Lazich:

This bill is drafted according to what I believe to be your instructions, in that the bill first applies to taxable years beginning on January 1, 2001. This initial applicability provision may cause administrative problems for the Department of Revenue because their tax forms and instructions are already printed for tax year 2001, and they obviously do not provide for the changes contained in this bill. Please let me know if you want any changes made to the bill. The provisions of this bill are based on s. 71.05 (6) (b) 13. and 14., which applied to Operation Desert Shield and Operation Desert Storm.

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

## Emery, Lynn

---

**From:** Emery, Lynn  
**Sent:** Tuesday, October 09, 2001 12:03 PM  
**To:** Sen.Lazich  
**Subject:** LRB-3945/1 (attached as requested)

Lynn Emery

Lynn Emery - Program Asst. (PH. 608-266-3561)  
(E-Mail: [lynn.emery@legis.state.wi.us](mailto:lynn.emery@legis.state.wi.us)) (FAX: 608-264-6948)

Legislative Reference Bureau - Legal Section - Front Office  
100 N. Hamilton Street - 5th Floor  
Madison, WI 53703



Handwritten initials: RMR, JLD

2001 BILL

Handwritten note: regen

Handwritten note: WANTED today 3pm

1 AN ACT to create 71.05 (6) (b) 34. and 71.05 (6) (b) 35. of the statutes; relating  
2 to: creating an individual income tax exemption for pay received from the  
3 federal government by members of a reserve component of the armed forces  
4 participating in Operation Enduring Freedom.

**Analysis by the Legislative Reference Bureau**

This bill creates an individual income tax exemption for pay received from the federal government by a member of a reserve component of the armed forces participating in Operation Enduring Freedom. The exemption applies to a member of a reserve component of the armed forces who is activated for Operation Enduring Freedom. ~~The exemption applies to any amount of military pay received by the person from the federal government if he or she is below the grade of commissioned officer, and up to \$500 per month of military pay received by the person if he or she is a commissioned officer.~~

Handwritten note: and

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 (6) (b) 34. of the statutes is created to read:

2           71.05 (6) (b) 34. Any amount of basic, special, and incentive pay income or  
3 compensation, as those terms are used in 37 USC chapters 3 and 5, received from the  
4 federal government by a person who is a member of a reserve component of the U.S.  
5 armed forces, as defined in 26 USC 7701 (a) (15), ~~and is below the grade of~~  
6 ~~(commissioned officer,~~ for services performed for Operation Enduring Freedom. In  
7 this subdivision, “services performed for Operation Enduring Freedom” means  
8 service in a unit of the U.S. armed forces if all of the following apply:

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10           b. The service occurs during the period that there is in effect a designation by  
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13           **SECTION 2.** 71.05 (6) (b) 35. of the statutes is created to read:

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15 income or compensation, as those terms are used in 37 USC chapters 3 and 5,  
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17 component of the U.S. armed forces, as defined in 26 USC 7701 (a) (15), and is a  
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20 service in a unit of the U.S. armed forces if all of the following apply:

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22           b. The service occurs during the period that there is in effect a designation by  
23 the president of the United States that the service is part of Operation Enduring  
24 Freedom.

25           **SECTION 3.** Initial applicability.



**Basford, Sarah**

---

**From:** Clark, Lloyd  
**Sent:** Tuesday, October 09, 2001 2:49 PM  
**To:** Basford, Sarah  
**Subject:** RE: LRB -3945/2 (attached)

Thank you.

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

**From:** Basford, Sarah  
**Sent:** Tuesday, October 09, 2001 2:49 PM  
**To:** Clark, Lloyd  
**Subject:** LRB -3945/2 (attached)

↓  
Sent as PDF

**Emery, Lynn**

---

**From:** Clark, Lloyd  
**Sent:** Friday, October 12, 2001 10:13 AM  
**To:** LRB.Legal  
**Subject:** LRB-3945/2

We are requesting LRB-3945/2 to be jacketed for the Senate.

Thanks,

Lloyd Clark  
Legislative Asst.  
Senator Mary Lazich