

2001 DRAFTING REQUEST

Bill

Received: 10/08/2001

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Sheila Harsdorf (608) 266-7745**

By/Representing: **Chris**

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

Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Tax - individual income
Tax Credits - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Change eligibility to claim the school property tax rent credit

Instructions:

See Attached. Companion bill to LRB -2877/1

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 10/08/2001	gilfokm 10/08/2001		_____			S&L
/1			jfrantze 10/10/2001	_____	lrb_docadmin 10/10/2001	lrb_docadmin 11/01/2001	

FE Sent For:

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1?	shoveme	11-10/10 King	10/10	Self 10/10			

FE Sent For:

<END>

Shovers, Marc

From: Schneider, Christian
Sent: Monday, October 08, 2001 11:43 AM
To: Shovers, Marc
Subject: Companion bill to LRB 2877/1

Marc,

You may have already talked to Rep. Stone's office about this, but Senator Harsdorf would like to introduce a companion bill to his LRB 2877. Any idea when we might be able to get that from drafting?

Thanks.

Chris Schneider
Senator Harsdorf's Office

RMR

2001 BILL

glen

1 AN ACT *to renumber and amend* 71.07 (9) (b) 1.; *to amend* 71.07 (9) (a) 3., 71.07
 2 (9) (b) 2. and 71.07 (9) (b) 5.; and *to create* 71.07 (9) (am) and 71.07 (9) (b) 1.
 3 a. and b. of the statutes; **relating to:** authorizing claims under the school
 4 property tax rent credit for property taxes paid in the year before the year in
 5 which they are due and authorizing such claims, for property taxes paid, for the
 6 year to which the taxes relate.

Analysis by the Legislative Reference Bureau

Under current law, the school property tax rent credit may be claimed by an individual for property taxes paid on the claimant's principal dwelling, or rent constituting property taxes paid on the claimant's principal dwelling, during the taxable year for which the credit is claimed. For taxable years beginning after December 31, 1999, the credit, which may be claimed up to the amount of the claimant's tax liability, is 12% of the first \$2,500 of property taxes, or rent constituting property taxes, paid or 12% of the first \$1,250 of property taxes, or rent constituting property taxes, paid by a married person filing separately. Generally, no credit may be claimed for taxable year 1999.

For taxable years beginning before January 1, 1998, the credit, which may be claimed up to the amount of the claimant's tax liability, is 10% of the first \$2,000 of property taxes, or rent constituting property taxes, paid or 10% of the first \$1,000 of property taxes, or rent constituting property taxes, paid by a married person filing

BILL

separately. For taxable year 1998, however, the credit, which may be claimed up to the amount of the claimant's tax liability, is 14% of the first \$2,500 of property taxes, or rent constituting property taxes, paid or 14% of the first \$1,250 of property taxes, or rent constituting property taxes, paid by a married person filing separately.

Under this bill, either the credit may also be claimed in one year for property taxes paid for two taxable years in one year or the credit may be claimed for the year to which the property taxes relate if the claimant pays property taxes for two taxable years in one year.

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:

1 SECTION 1. 71.07 (9) (a) 3. of the statutes is amended to read:

2 71.07 (9) (a) 3. "Property taxes" means, except as provided in par. (am), real and
3 personal property taxes, exclusive of special assessments, delinquent interest and
4 charges for service, paid by a claimant on the claimant's principal dwelling during
5 the taxable year for which credit under this subsection is claimed, less any property
6 taxes paid which are properly includable as a trade or business expense under
7 section 162 of the internal revenue code. If the principal dwelling on which the taxes
8 were paid is owned by 2 or more persons or entities as joint tenants or tenants in
9 common or is owned by spouses as marital property, "property taxes" is that part of
10 property taxes paid that reflects the ownership percentage of the claimant. If the
11 principal dwelling is sold during the taxable year the "property taxes" for the seller
12 and buyer shall be the amount of the tax prorated to each in the closing agreement
13 pertaining to the sale or, if not so provided for in the closing agreement, the tax shall
14 be prorated between the seller and buyer in proportion to months of their respective
15 ownership. "Property taxes" includes monthly parking permit fees in respect to a
16 principal dwelling collected under s. 66.0435 (3) (c).

17 SECTION 2. 71.07 (9) (am) of the statutes is created to read:

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1 71.07 (9) (am) Notwithstanding the definition of “property taxes” in par. (a) 1.,
2 under which property taxes are defined to mean, generally, real and personal
3 property taxes paid by a claimant on the claimant’s principal dwelling during the
4 taxable year for which credit under this subsection is claimed, if a claimant’s
5 property taxes are for 2 years and are paid in one year the claimant may claim the
6 credit under this subsection for the year to which the property taxes relate if the
7 claimant does not claim in one year the credit paid for both years as allowed under
8 par. (b) 1. a. or b. or under par. (b) 5.

9 **SECTION 3.** 71.07 (9) (b) 1. of the statutes is renumbered 71.07 (9) (b) 1. (intro.)
10 and amended to read:

11 71.07 (9) (b) 1. (intro.) Subject to the limitations under this subsection and
12 except as provided in subds. 2., 4. and 5., a claimant may claim as a credit against,
13 but not to exceed the amount of, taxes under s. 71.02, 10% of the first \$2,000 of
14 property taxes or rent constituting property taxes, or 10% of the first \$1,000 of
15 property taxes or rent constituting property taxes of a married person filing
16 separately., except as follows:

17 **SECTION 4.** 71.07 (9) (b) 1. a. and b. of the statutes are created to read:

18 71.07 (9) (b) 1. a. If a claimant’s property taxes are for 2 years, do not include
19 a taxable year that begins after December 31, 1997, and before January 1, 1999, and
20 are paid in one year, 10% of the first \$2,000 of property taxes for each taxable year
21 or 10% of the first \$1,000 of property taxes for each year of a married person filing
22 separately.

23 b. If a claimant’s property taxes are for 2 years, include a taxable year that
24 begins after December 31, 1997, and before January 1, 1999, and are paid in one year,
25 14% of the first \$2,500 of property taxes for the taxable year that begins after

BILL**SECTION 4**

1 December 31, 1997, and before January 1, 1999, and 10% of the first \$2,000 of
2 property taxes for the other taxable year or 14% of the first \$1,250 of property taxes
3 for the taxable year that begins after December 31, 1997, and before January 1, 1999,
4 and 10% of the first \$1,000 of property taxes for the other taxable year of a married
5 person filing separately.

6 **SECTION 5.** 71.07 (9) (b) 2. of the statutes is amended to read:

7 71.07 (9) (b) 2. Subject to the limitations under this subsection, a claimant may
8 claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, the
9 amounts specified in the proposal under 1997 Wisconsin Act 237, section 9256 (2c),
10 except that, if a claimant's property taxes are for 2 taxable years, including the
11 taxable year to which this subdivision applies, and are paid in one year, the claimant
12 may claim the amount calculated under subd. 1. b.

13 **SECTION 6.** 71.07 (9) (b) 5. of the statutes is amended to read:

14 71.07 (9) (b) 5. For taxable years beginning after December 31, 1999, subject
15 to the limitations under this subsection a claimant may claim as a credit against, but
16 not to exceed the amount of, taxes under s. 71.02, 12% of the first \$2,500 of property
17 taxes or rent constituting property taxes, or 12% of the first \$1,250 of property taxes
18 or rent constituting property taxes of a married person filing separately, except that,
19 if a claimant's property taxes are for 2 years and are paid in one year, the claimant
20 may claim 12% of the first \$2,500 of property taxes for each taxable year or 12% of
21 the first \$1,250 of property taxes for each year of a married person filing separately.

22 **SECTION 7. Initial applicability.**

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

BILL

1 July 31 this act first applies to taxable years beginning on January 1 of the year
2 following the year in which this subsection takes effect.

3 (END)



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

October 10, 2001

MEMORANDUM

To: Senator Harsdorf

From: Marc E. Shovers, Senior Legislative Attorney

Re: LRB-3984/1 Change eligibility to claim the school property tax rent credit

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.