

21
AB138

Assembly Hearing Slip

(please print plainly)

Date: 12-12-01

Bill No. AB138

Or _____

Subject _____

Name Tom Oursada - DOR

Street Address or Route Number _____

City, State, ZIP Code _____

E-Mail Address _____

Organization You Represent _____

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering In Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input checked="" type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 12/12/01

Bill No. 138

Or _____

Subject _____

Name Rep Dan Meyer

Street Address or Route Number _____

City, State, ZIP Code _____

E-Mail Address _____

Organization You Represent Legis Delegation

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering In Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: Dec. 12, 2001

Bill No. AB 138

Or _____

Subject _____

Name Sen. Alberta Darling

Street Address or Route Number 127 South

City, State, ZIP Code _____

E-Mail Address _____

Organization You Represent Self

Speaking in Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering In Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:
Assembly Sergeant at Arms
<http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 12 Dec 01

Bill No. AB138

Or Subject Planned Credit

Name Rep Mike Towens

Street Address or Route Number 310 N. Capitol

City, State, ZIP Code Madison WI 53708

E-mail Address Rep Towens@legis.stat.wi.us

Organization You Represent State Rep BOE

Speaking in Favor:	<input checked="" type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

138

To address those "freed inequities" by the credits - Powers

Those making the same amount would receive the same credit.

WV: Those that have inequities in credit also have tax due inequities?

DOR -> There are some inequities that would arise from this bill.

MAY 26 1999

Mike...

Here are some examples of tax returns for married couples with the same income. Under current law there is no married couple credit if only one or neither spouse has earned income. By changing the instructions for line 3 of schedule 2, each spouse is assumed to have earned \$10,000. This would give all married couples a minimum credit of \$217 while still allowing the maximum credit of \$304 if both spouses worked. (the \$10,000 figure could be adjusted as necessary to make the credit even more equitable) This is one possibility for consideration to eliminate the married couple penalty for all who file jointly.

Another point to be made is regarding the working families credit. For the 1998 tax year a married couple would pay no tax if their taxable income was \$18,000, but would pay \$601 tax if their income was \$19,000. Somehow a table could be used to make the transition more gradual.

Also, please revisit my previous letter regarding the use of the current year's property tax bill in determining school tax credit.

Thank you for your interest. I'm available anytime for clarification or further information.

Thanks again



Jim Kosir

P O Box 455
Albany WI 53502
(608)862-1155

RETIREE MARRIED COUPLE - NO EARNED INCOME
Wisconsin income tax SUGGESTED CHANGE 1998

Form **1** For the year Jan. 1 - Dec. 31, 1998, or other tax year beginning _____, 1998 ending _____, 19 _____

Use label or print	Your last name SMITH	First name and middle initial JOHN	Your social security number | | |	QUICK REFUND Do you qualify (see page 5)? | | | | | | | |
	If a joint return, spouse's last name SMITH	First name and middle initial JANE	Spouse's social security number | | |	
	Home address (number and street)			
	City or post office, state, zip code			
▲ IMPORTANT ▲ You must enter your social security number(s)				

<p>Filing status</p> <p>Check only one box</p> <p><input type="checkbox"/> Single</p> <p><input checked="" type="checkbox"/> Married filing joint return</p> <p><input type="checkbox"/> Married filing separate return. Fill in spouse's full name and social security number ▼</p> <p>_____</p> <p><input type="checkbox"/> Head of household (with qualifying person) Fill in qualifying person's name ▼</p> <p>_____</p>	<p>Illinois wages</p> <p>If you want \$1 to go to the State Election Campaign Fund, check box(es). <input type="checkbox"/> You <input type="checkbox"/> Your spouse <i>Checking the box(es) will not change your tax or refund.</i></p> <hr/> <p>Were any of your wages earned in Illinois? (See page 5) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, fill in amount of Illinois wages</p> <p>You \$ _____</p> <p>Spouse \$ _____</p>
---	--

		1	<u>24,000.-</u>
	2 State and municipal interest (see page 6)	2	_____
	3 Capital gain/loss adjustment (see page 7)	3	_____
	4 Other additions (list)	4	_____
	5 Add lines 1 through 4	5	<u>24,300.-</u>
Income	6 State income tax refund (Form 1040, line 10)	6	_____
	7 United States government interest	7	_____
	8 Unemployment compensation (see page 8)	8	_____
	9 Social security (see page 8)	9	_____
	10 Capital gain/loss adjustment (see page 9)	10	_____
	11 Other subtractions (list)	11	_____
	12 Add lines 6 through 11	12	_____
	13 Subtract line 12 from line 5. This is your Wisconsin income	13	<u>24,000.-</u>
	14 Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet ...	14	<u>982.-</u>
	15 Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	15	_____
16 Senior citizen credit (Caution: see page 14)	16	_____	
17 Wisconsin itemized deduction credit. Complete Schedule 1 on page 3 .	17	_____	
Tax computation	18 School property tax credit		
	a. Rent paid in 1998 - heat included		
	Rent paid in 1998 - heat not included ... <u>6000.-</u>		
	Find credits from table, page 16	18a	<u>212.-</u>
	b. Property taxes paid on home in 1998		
Find credit from table, page 17	18b	_____	
19 Working families tax credit	19	_____	
20 Add lines 15 through 19	20	<u>212.-</u>	
21 Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	21	<u>770.-</u>	

Name(s) shown on Form 1

Your social security number

Schedule 1 – Wisconsin Itemized Deduction Credit (see page 15)

- 1 Medical and dental expenses from line 4, federal Schedule A. See instructions for exceptions. **1** _____ .
- 2 Interest paid from line 14, federal Schedule A. Do not include interest paid on a second home located outside Wisconsin or on a residence which is a boat. Also, do not include interest paid to purchase or hold U.S. government securities **2** _____ .
- 3 Gifts to charity from line 18, federal Schedule A. See instructions for exceptions. **3** _____ .
- 4 Job expenses and miscellaneous deductions from line 26, federal Schedule A. See instructions for exceptions **4** _____ .
- 5 Other miscellaneous deductions from line 27, federal Schedule A. See instructions for exceptions . . . **5** _____ .
- 6 Add lines 1 through 5. **6** _____ .
- 7 Using Wisconsin income from line 13 on page 1, find your standard deduction from table on page 31. (If Special Tax Worksheet on page 14 used, fill in the standard deduction from line 6 of that worksheet.) . . . **7** _____ .
- 8 Subtract line 7 from line 6. If line 7 is more than line 6, fill in -0- **8** _____ .
- 9 Rate of credit is .05 (5%) **9** _____ **x .05**
- 10 Multiply line 8 by line 9. Fill in here and on line 17 on page 1 **10** _____ .

Schedule 2 – Married Couple Credit ~~When Both Spouses Are Employed~~ (see page 18)

(When completing this schedule, be sure to fill in your income in column (A) and your spouse's income in column (B))

- | | (A) YOURSELF | (B) SPOUSE |
|--|------------------------------|----------------------|
| 1 Taxable wages, salaries, tips, and other employe compensation. Do NOT enter interest, dividends, pensions, unemployment compensation, or other unearned income | 1 <u> -0- </u> | <u> -6- </u> |
| 2 Net profit or loss from self-employment from federal Schedules C, C-EZ, and F (Form 1040), Schedule K-1 (Form 1065), and any other taxable self-employment or earned income | 2 _____ | _____ |
| 3 Combine lines 1 and 2. Enter total or \$10,000 whichever is greater | 3 <u> 10,000.- </u> | <u> 10,000.- </u> |
| 4 Add amounts from your federal Form 1040, lines 23 and 29, plus repayment of supplemental unemployment benefits, employe expenses of qualified performing artists and of fee basis state or local government officials, and contributions to Section 501(c)(18) pension plans included in line 32, and any Wisconsin disability income exclusion. Fill in the total of these adjustments that apply to your or your spouse's income | 4 _____ | _____ |
| 5 Subtract line 4 from line 3. This is qualified earned income. If less than zero, fill in -0- | 5 <u> 10,000.- </u> | <u> 10,000.- </u> |
| 6 Compare the amounts in columns (A) and (B) of line 5. Fill in the smaller amount here. If more than \$14,010, fill in \$14,010 | 6 <u> 10,000.- </u> | _____ |
| 7 Rate of credit is .0217 (2.17%) | 7 _____ | x .0217 |
| 8 Multiply line 6 by line 7. Fill in here and on line 25 on page 2. Do not fill in more than \$304 | 8 _____ | <u> 217.- </u> |

RETIRED WIFE - NO OTHER INCOME
OR - MARRIED COUPLE - ONE SPOUSE WORKING CURRENT LAW

Wisconsin income tax 1998

Form For the year Jan. 1 - Dec. 31, 1998, or other tax year beginning 1998 ending 19

Use label or print	Your last name SMITH	First name and middle initial JOHN	Your social security number	QUICK REFUND Do you qualify (see page 5)?	
	If a joint return, spouse's last name SMITH	First name and middle initial JANE	Spouse's social security number		
	Home address (number and street)				▲ IMPORTANT ▲ You must enter your social security number(s)
	City or post office, state, zip code				

Filing status

Check only one box

Single

Married filing joint return

Married filing separate return. Fill in spouse's full name and social security number ▼

Head of household (with qualifying person)
Fill in qualifying person's name ▼

Illinois wages

If you want \$1 to go to the State Election Campaign Fund, check box(es). You Your spouse
Checking the box(es) will not change your tax or refund.

Were any of your wages earned in Illinois? (See page 5) Yes No

If yes, fill in amount of Illinois wages

You \$ _____

Spouse \$ _____

Income

1	Federal adjusted gross income (see page 6)	1	24,000.-
2	State and municipal interest (see page 6)	2	.
3	Capital gain/loss adjustment (see page 7)	3	.
4	Other additions (list)	4	.
5	Add lines 1 through 4	5	24,000.-
6	State income tax refund (Form 1040, line 10)	6	.
7	United States government interest	7	.
8	Unemployment compensation (see page 8)	8	.
9	Social security (see page 8)	9	.
10	Capital gain/loss adjustment (see page 9)	10	.
11	Other subtractions (list)	11	.
12	Add lines 6 through 11	12	.
13	Subtract line 12 from line 5. This is your Wisconsin income	13	24,000.-
14	Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet ...	14	982.-
15	Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	15	.
16	Senior citizen credit (Caution: see page 14)	16	.
17	Wisconsin itemized deduction credit. Complete Schedule 1 on page 3 .	17	.
18	School property tax credit		
	a. Rent paid in 1998 - heat included		
	Rent paid in 1998 - heat not included ... <u>6000.-</u>		
	Find credits from table, page 16	18a	212.-
	b. Property taxes paid on home in 1998		
	Find credit from table, page 17	18b	.
19	Working families tax credit	19	.
20	Add lines 15 through 19	20	212.-
21	Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	21	770.-

Form 1 For the year Jan. 1 - Dec. 31, 1998, or other tax year beginning _____, 1998 ending _____, 19__

Use label or print	Your last name <u>SMITH</u>	First name and middle initial <u>JOHN</u>	Your social security number | | |	QUICK REFUND Do you qualify (see page 5)? | | | | |
	If a joint return, spouse's last name	First name and middle initial	Spouse's social security number | | |	
	Home address (number and street)			
	City or post office, state, zip code			

▲ IMPORTANT ▲
You must enter your social security number(s)

Filing status

- Check only **one** box
- Single
 - Married filing joint return
 - Married filing separate return. Fill in spouse's full name and social security number ▼

 - Head of household (with qualifying person) Fill in qualifying person's name ▼

Illinois wages

- If you want \$1 to go to the **State Election Campaign Fund**, check box(es). You Your spouse
Checking the box(es) will not change your tax or refund.
- Were any of your wages earned in Illinois? (See page 5) Yes No
- If yes, fill in amount of Illinois wages
- You \$ _____
- Spouse \$ _____

Income

	1 Federal adjusted gross income (see page 6)	1	12,000.-
	2 State and municipal interest (see page 6)	2	_____
	3 Capital gain/loss adjustment (see page 7)	3	_____
	4 Other additions (list)	4	_____
	5 Add lines 1 through 4	5	12,000.-
	6 State income tax refund (Form 1040, line 10)	6	_____
	7 United States government interest	7	_____
	8 Unemployment compensation (see page 8)	8	_____
	9 Social security (see page 8)	9	_____
	10 Capital gain/loss adjustment (see page 9)	10	_____
	11 Other subtractions (list)	11	_____
	12 Add lines 6 through 11	12	_____

Tax computation

	13 Subtract line 12 from line 5. This is your Wisconsin income	13	12,000.-
	14 Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet ...	14	353.-
	15 Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	15	_____
	16 Senior citizen credit (Caution: see page 14)	16	_____
	17 Wisconsin itemized deduction credit. Complete Schedule 1 on page 3 .	17	_____
	18 School property tax credit		
	a. Rent paid in 1998 - heat included		_____
	Rent paid in 1998 - heat not included ... <u>3000-</u>		
	Find credits from table, page 16	▶ 18a	107.-
	b. Property taxes paid on home in 1998		_____
	Find credit from table, page 17	▶ 18b	_____
	19 Working families tax credit	19	_____
	20 Add lines 15 through 19	20	107.-
	21 Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	21	246.-

Name(s) shown on Form 1	Your social security number
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Schedule 1 – Wisconsin Itemized Deduction Credit (see page 15)

1 Medical and dental expenses from line 4, federal Schedule A. See instructions for exceptions	1
2 Interest paid from line 14, federal Schedule A. Do not include interest paid on a second home located outside Wisconsin or on a residence which is a boat. Also, do not include interest paid to purchase or hold U.S. government securities	2	. . . . .
3 Gifts to charity from line 18, federal Schedule A. See instructions for exceptions	3	. . . . .
4 Job expenses and miscellaneous deductions from line 26, federal Schedule A. See instructions for exceptions	4	. . . . .
5 Other miscellaneous deductions from line 27, federal Schedule A. See instructions for exceptions . . .	5	. . . . .
6 Add lines 1 through 5.	6	. . . . .
7 Using Wisconsin income from line 13 on page 1, find your standard deduction from table on page 31. (If Special Tax Worksheet on page 14 used, fill in the standard deduction from line 6 of that worksheet.) . . .	7	. . . . .
8 Subtract line 7 from line 6. If line 7 is more than line 6, fill in -0-	8	. . . . .
9 Rate of credit is .05 (5%)	9	x .05
10 Multiply line 8 by line 9. Fill in here and on line 17 on page 1	10	. . . . .

Schedule 2 – Married Couple Credit ~~When Both Spouses Are Employed~~ (see page 18)

(When completing this schedule, be sure to fill in your income in column (A) and your spouse's income in column (B))

	(A) YOURSELF	(B) SPOUSE
1 Taxable wages, salaries, tips, and other employe compensation. Do NOT enter interest, dividends, pensions, unemployment compensation, or other unearned income	1	12,000.- 12,000.-
2 Net profit or loss from self-employment from federal Schedules C, C-EZ, and F (Form 1040), Schedule K-1 (Form 1065), and any other taxable self-employment or earned income	2	. . . . .
3 Combine lines 1 and 2. Enter total or \$10,000 whichever is greater	3	12,000.- 12,000.-
4 Add amounts from your federal Form 1040, lines 23 and 29, plus repayment of supplemental unemployment benefits, employe expenses of qualified performing artists and of fee-basis state or local government officials, and contributions to Section 501(c)(18) pension plans included in line 32, and any Wisconsin disability income exclusion. Fill in the total of these adjustments that apply to your or your spouse's income	4	. . . . .
5 Subtract line 4 from line 3. This is qualified earned income. If less than zero, fill in -0-	5	12,000.- 12,000.-
6 Compare the amounts in columns (A) and (B) of line 5. Fill in the smaller amount here. If more than \$14,010, fill in \$14,010	6	12,000.-
7 Rate of credit is .0217 (2.17%)	7	x .0217
8 Multiply line 6 by line 7. Fill in here and on line 25 on page 2. Do not fill in more than \$304	8	260.-

1 MARKED COUPLE - ONE SPOUSE WORKING

Wisconsin income tax SUGGESTED CHANGE 1998

Form 1 For the year Jan. 1 - Dec. 31, 1998, or other tax year beginning _____, 1998 ending _____, 19__

Use label or print	Your last name JONES	First name and middle initial JAMES	Your social security number	QUICK REFUND Do you qualify (see page 5)?
	If a joint return, spouse's last name JONES	First name and middle initial RUTH	Spouse's social security number	
	Home address (number and street)			▲ IMPORTANT ▲ You must enter your social security number(s)
	City or post office, state, zip code			

Filing status	Check only one box	Illinois wages	<input checked="" type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing joint return <input type="checkbox"/> Married filing separate return. Fill in spouse's full name and social security number <input type="checkbox"/> Head of household (with qualifying person) Fill in qualifying person's name	<input checked="" type="checkbox"/> If you want \$1 to go to the State Election Campaign Fund, check box(es). <input type="checkbox"/> You <input type="checkbox"/> Your spouse <i>Checking the box(es) will not change your tax or refund.</i>
	<input type="checkbox"/> Were any of your wages earned in Illinois? (See page 5) <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, fill in amount of Illinois wages You \$ _____ Spouse \$ _____			

Income	1 Federal adjusted gross income (see page 6)	1	<u>24,000.-</u>
	2 State and municipal interest (see page 6)	2	_____
	3 Capital gain/loss adjustment (see page 7)	3	_____
	4 Other additions (list)	4	_____
	5 Add lines 1 through 4	5	<u>24,000.-</u>
	6 State income tax refund (Form 1040, line 10)	6	_____
	7 United States government interest	7	_____
	8 Unemployment compensation (see page 8)	8	_____
	9 Social security (see page 8)	9	_____
	10 Capital gain/loss adjustment (see page 9)	10	_____
	11 Other subtractions (list)	11	_____
	12 Add lines 6 through 11	12	_____
	13 Subtract line 12 from line 5. This is your Wisconsin income	13	<u>24,000.-</u>
	14 Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet ...	14	<u>982.-</u>
	15 Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	15	_____
	16 Senior citizen credit (Caution: see page 14)	16	_____
	17 Wisconsin itemized deduction credit. Complete Schedule 1 on page 3 .	17	_____
	18 School property tax credit		
	a. Rent paid in 1998 - heat included		_____
	Rent paid in 1998 - heat not included ... <u>6000.-</u>		
	Find credits from table, page 16	18a	<u>212.-</u>
b. Property taxes paid on home in 1998		_____	
Find credit from table, page 17	18b	_____	
19 Working families tax credit	19	_____	
20 Add lines 15 through 19	20	<u>212.-</u>	
21 Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	21	<u>770.-</u>	

Tax computation (cont'd.)

Additions to tax

Payments and credits Attach withholding statements here

Refund or amount due

Tax district

Sign your return

22 Amount from line 21 22 1770.-

23 Alternative minimum tax. Attach Schedule MT 23 _____

24 Add lines 22 and 23 24 1770.-

25 Married couple credit. Complete Schedule 2 on page 3 25 217.-

26 Manufacturer's sales tax credit. Attach Schedule MS 26 _____

27 Add lines 25 and 26 27 217.-

28 Subtract line 27 from line 24. If line 27 is larger than line 24, fill in -0-. This is your net tax . 28 553.-

29 Temporary recycling surcharge (see page 19). Check if surcharge computed on worksheet. If worksheet not used, fill in nonfarm net business income _____ x .002173 = 29 _____

30 Sales and use tax due on out-of-state purchases (see page 20) 30 _____

31 Endangered resources donation (decreases refund or increases amount owed) 5 31 _____

32 Penalties on IRAs, other retirement plans, MSAs, etc. (see page 21) _____ x .33 = 32 _____

33 Add lines 28 through 32 33 553.-

34 Wisconsin income tax withheld. Attach withholding statements 34 600.-

35 1998 estimated tax payments and amount applied from 1997 return . 35 _____

36 Earned income credit. Qualifying children _____ Federal credit _____ x _____ % = 36 _____

37 Farmland preservation credit. Attach Schedule FC 37 _____

38 Net income tax paid to another state (see page 22) 38 _____

39 Homestead credit. Attach Schedule H 39 _____

40 Farmland tax relief credit. Property taxes on farmland _____ x .10 = 40 _____

41 Add lines 34 through 40 41 600.-

42 If line 41 is larger than line 33, subtract line 33 from line 41. This is the amount OVERPAID .. 42 47.-

43 Amount of line 42 you want REFUNDED TO YOU 43 47.-

44 Amount of line 42 you want APPLIED TO YOUR 1999 ESTIMATED TAX 44 _____

45 If line 41 is smaller than line 33, subtract line 41 from line 33. This is the AMOUNT YOU OWE. Paper clip payment to front of return 45 _____

Check proper box and fill in name of municipality and the county in which you lived at the end of 1998.

City } _____ County of _____

Village } _____ School district number _____

Town } _____ (see page 32) _____

Attach a copy of your federal income tax return and schedules to this return

Under penalties of law, I declare that this return and all attachments are true, correct, and complete to the best of my knowledge and belief.

Your signature _____ Spouse's signature (if filing jointly, BOTH must sign) _____ Date _____ Daytime phone _____

Mail your return to: Wisconsin Department of Revenue

If tax due P.O. Box 268, Madison, WI 53790-0001

If refund or no tax due P.O. Box 59, Madison, WI 53785-0001

If quick refund claimed P.O. Box 38, Madison, WI 53787-0001

If homestead credit claimed P.O. Box 34, Madison, WI 53786-0001

For Department Use Only										
R	M	Y	T	MAN	D	A	P	C		

Use label or print	Your last name BROWN	First name and middle initial SAM	Your social security number	QUICK REFUND Do you qualify (see page 5)?
	If a joint return, spouse's last name BROWN	First name and middle initial GLORIA	Spouse's social security number	
	Home address (number and street)			▲ IMPORTANT ▲ You must enter your social security number(s)
	City or post office, state, zip code			

Filing status	Check only one box	Illinois wages	<input type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing joint return <input type="checkbox"/> Married filing separate return. Fill in spouse's full name and social security number <input type="checkbox"/> Head of household (with qualifying person) Fill in qualifying person's name	If you want \$1 to go to the State Election Campaign Fund, check box(es). <input type="checkbox"/> You <input type="checkbox"/> Your spouse <i>Checking the box(es) will not change your tax or refund.</i>
	Were any of your wages earned in Illinois? (See page 5) <input type="checkbox"/> Yes <input type="checkbox"/> No			
	If yes, fill in amount of Illinois wages You \$ _____ Spouse \$ _____			

Income	1 Federal adjusted gross income (see page 6)	1	<u>24,000.-</u>
	2 State and municipal interest (see page 6)	2	_____
	3 Capital gain/loss adjustment (see page 7)	3	_____
	4 Other additions (list)	4	_____
	5 Add lines 1 through 4	5	<u>24,000.-</u>
	6 State income tax refund (Form 1040, line 10)	6	_____
	7 United States government interest	7	_____
	8 Unemployment compensation (see page 8)	8	_____
	9 Social security (see page 8)	9	_____
	10 Capital gain/loss adjustment (see page 9)	10	_____
	11 Other subtractions (list)	11	_____
	12 Add lines 6 through 11	12	_____
	13 Subtract line 12 from line 5. This is your Wisconsin income	13	<u>24,000.-</u>
	14 Tax. (See page 14) Check if from <input checked="" type="checkbox"/> Tax Table or <input type="checkbox"/> Special Tax Worksheet ...	14	<u>982.-</u>
	15 Dependent credit. Fill in number of dependents (do not count yourself or spouse) _____ x \$50 =	15	_____
	16 Senior citizen credit (Caution: see page 14)	16	_____
	17 Wisconsin itemized deduction credit. Complete Schedule 1 on page 3 .	17	_____
	18 School property tax credit		
	a. Rent paid in 1998 - heat included		_____
	Rent paid in 1998 - heat not included ... <u>6000.-</u>		
Find credits from table, page 16	18a	<u>212.-</u>	
b. Property taxes paid on home in 1998		_____	
Find credit from table, page 17	18b	_____	
19 Working families tax credit	19	_____	
20 Add lines 15 through 19	20	<u>212.-</u>	
21 Subtract line 20 from line 14. If line 20 is larger than line 14, fill in -0-	21	<u>970.-</u>	

Name(s) shown on Form 1	Your social security number
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Schedule 1 – Wisconsin Itemized Deduction Credit (see page 15)

1 Medical and dental expenses from line 4, federal Schedule A. See instructions for exceptions.	1
2 Interest paid from line 14, federal Schedule A. Do not include interest paid on a second home located outside Wisconsin or on a residence which is a boat. Also, do not include interest paid to purchase or hold U.S. government securities	2	. . . . .
3 Gifts to charity from line 18, federal Schedule A. See instructions for exceptions.	3	. . . . .
4 Job expenses and miscellaneous deductions from line 26, federal Schedule A. See instructions for exceptions	4	. . . . .
5 Other miscellaneous deductions from line 27, federal Schedule A. See instructions for exceptions . . .	5	. . . . .
6 Add lines 1 through 5.	6	. . . . .
7 Using Wisconsin income from line 13 on page 1, find your standard deduction from table on page 31. (If Special Tax Worksheet on page 14 used, fill in the standard deduction from line 6 of that worksheet.) . . .	7	. . . . .
8 Subtract line 7 from line 6. If line 7 is more than line 6, fill in -0-	8	. . . . .
9 Rate of credit is .05 (5%)	9	x .05
10 Multiply line 8 by line 9. Fill in here and on line 17 on page 1	10	. . . . .

Schedule 2 – Married Couple Credit ~~When Both Spouses Are Employed~~ (see page 18)

(When completing this schedule, be sure to fill in your income in column (A) and your spouse's income in column (B))

	(A) YOURSELF	(B) SPOUSE
1 Taxable wages, salaries, tips, and other employe compensation. Do NOT enter interest, dividends, pensions, unemployment compensation, or other unearned income	1 <u>24,000.-</u>	<u>- 0.-</u>
2 Net profit or loss from self-employment from federal Schedules C, C-EZ, and F (Form 1040), Schedule K-1 (Form 1065), and any other taxable self-employment or earned income	2 <u>.</u>	<u>.</u>
3 Combine lines 1 and 2. Enter total or \$10,000 whichever is greater	3 <u>24,000.-</u>	<u>10,000.-</u>
4 Add amounts from your federal Form 1040, lines 23 and 29, plus repayment of supplemental unemployment benefits, employe expenses of qualified performing artists and of fee-basis state or local government officials, and contributions to Section 501(c)(18) pension plans included in line 32, and any Wisconsin disability income exclusion. Fill in the total of these adjustments that apply to your or your spouse's income	4 <u>.</u>	<u>.</u>
5 Subtract line 4 from line 3. This is qualified earned income. If less than zero, fill in -0-	5 <u>24,000.-</u>	<u>10,000.-</u>
6 Compare the amounts in columns (A) and (B) of line 5. Fill in the smaller amount here. If more than \$14,010, fill in \$14,010	6 <u>10,000.-</u>	<u>.</u>
7 Rate of credit is .0217 (2.17%)	7 <u>.</u>	<u>x .0217</u>
8 Multiply line 6 by line 7. Fill in here and on line 25 on page 2. Do not fill in more than \$304	8 <u>217.-</u>	<u>.</u>

Line 18b instructions - continued

Line 18b instructions - continued

The property taxes for your home to be filled in are further limited as follows:

- a. If a home was purchased or sold during 1998, the property taxes of the seller and buyer are the taxes set forth for each in the closing agreement made at the sale or purchase of the home. If the closing agreement does not divide the taxes between the seller and buyer, divide the property taxes between the seller and the buyer on the basis of the number of months each one owned the home.
- b. If you owned a mobile home during 1998, property taxes include the mobile home parking permit fees paid to your municipality and/or the personal property taxes paid on your mobile home. Payments for space rental should be filled in as rent on line 18a.
- c. If you, or you and your spouse, owned a home jointly with one or more other persons, you may only use that portion of the property taxes which reflects your percentage of ownership. For example, if you and another person (other than your spouse) jointly owned a home on which taxes of \$1,500 were paid, each of you would claim a credit based on \$750 of taxes.

CAUTION Property taxes paid during 1998 must be reduced by any amounts received as a refund of such taxes. For example, a taxpayer claimed farmland preservation credit (which is considered a refund of property taxes) on his or her 1997 Wisconsin return. The taxpayer received a farmland preservation credit in 1998 of \$600 which was based on 1997 property taxes accrued of \$6,000. The 1997 property taxes were paid in 1998 and 10% of such taxes were allocable to the personal residence and 90% to the farm property. Thus, for tax purposes, property taxes paid on the entire property during 1998 are \$5,400 (\$6,000 less \$600 farmland preservation credit). Of this amount, \$540 (10% of \$5,400) is used to compute the 1998 school property tax credit.

Step 2 After you have filled in the amount of property taxes paid on your home in 1998, refer to the Home Owner's School Property Tax Credit Table on this page to determine your credit. Fill in the amount of your credit on line 18b.

CAUTION If you are also claiming the renter's credit on line 18a, the total of your renter's and home owner's credits may not exceed \$350 (\$175 if married filing a separate return or married filing as head of household).

Home Owner's School Property Tax Credit Table*

If Property Taxes are:			If Property Taxes are:			If Property Taxes are:		
At Least	But Less Than	Line 18b Credit is	At Least	But Less Than	Line 18b Credit is	At Least	But Less Than	Line 18b Credit is
\$ 1	\$ 25	\$ 2	\$ 875	\$ 900	\$ 124	\$1,750	\$1,775	\$ 247
25	50	5	900	925	128	1,775	1,800	250
50	75	9	925	950	131	1,800	1,825	254
75	100	12	950	975	135	1,825	1,850	257
100	125	16	975	1,000	138	1,850	1,875	261
125	150	19	1,000	1,025	142	1,875	1,900	264
150	175	23	1,025	1,050	145	1,900	1,925	268
175	200	26	1,050	1,075	149	1,925	1,950	271
200	225	30	1,075	1,100	152	1,950	1,975	275
225	250	33	1,100	1,125	156	1,975	2,000	278
250	275	37	1,125	1,150	159	2,000	2,025	282
275	300	40	1,150	1,175	163	2,025	2,050	285
300	325	44	1,175	1,200	166	2,050	2,075	289
325	350	47	1,200	1,225	170	2,075	2,100	292
350	375	51	1,225	1,250	173	2,100	2,125	296
375	400	54	1,250	1,275	177	2,125	2,150	299
400	425	58	1,275	1,300	180	2,150	2,175	303
425	450	61	1,300	1,325	184	2,175	2,200	306
450	475	65	1,325	1,350	187	2,200	2,225	310
475	500	68	1,350	1,375	191	2,225	2,250	313
500	525	72	1,375	1,400	194	2,250	2,275	317
525	550	75	1,400	1,425	198	2,275	2,300	320
550	575	79	1,425	1,450	201	2,300	2,325	324
575	600	82	1,450	1,475	205	2,325	2,350	327
600	625	86	1,475	1,500	208	2,350	2,375	331
625	650	89	1,500	1,525	212	2,375	2,400	334
650	675	93	1,525	1,550	215	2,400	2,425	338
675	700	96	1,550	1,575	219	2,425	2,450	341
700	725	100	1,575	1,600	222	2,450	2,475	345
725	750	103	1,600	1,625	226	2,475	2,500	348
750	775	107	1,625	1,650	229	2,500 or more		350
775	800	110	1,650	1,675	233			
800	825	114	1,675	1,700	236			
825	850	117	1,700	1,725	240			
850	875	121	1,725	1,750	243			

*Caution The credit allowed certain persons may be less than the amount indicated. See "Special Cases" on page 15.

New ■ Line 19 Working Families Tax Credit

If your income is less than the amount indicated below for your filing status, you may claim the working families tax credit.

Exception You may not claim the working families tax credit if you may be claimed as a dependent on another person's (for example, your parent's) income tax return.

Single, Head of Household, or Married Filing Separate Return

- If the amount on line 13 of Form 1 is \$9,000 or less, your credit is equal to your tax. Fill in the amount from line 14 of Form 1 on line 19.
- If the amount on line 13 of Form 1 is more than \$9,000 but less than \$10,000, use the worksheet on page 18 to compute your credit.
- If the amount on line 13 of Form 1 is \$10,000 or more, fill in -0- on line 19. You do not qualify for the working families tax credit.

Married Filing Joint Return

- If the amount on line 13 of Form 1 is \$18,000 or less, your credit is equal to your tax. Fill in the amount from line 14 of Form 1 on line 19.
- If the amount on line 13 of Form 1 is more than \$18,000 but less than \$19,000, use the worksheet on page 18 to compute your credit.
- If the amount on line 13 of Form 1 is \$19,000 or more, fill in -0- on line 19. You do not qualify for the working families tax credit.

Ways & Means Committee
Preliminary Report on Referred Legislation
February 20, 2001

Bill: **AB 138**
Author: **Powers**
Date Referred: **02-19-2001**
Public Hearing: **N/A**
Executive Session: **N/A**

Relating Clause: **the married persons individual income tax credit.**

Comments from Department of Revenue-
comments.

Comments from the Author-

Author's reasoning for introducing legislation:
At the request of a constituent who is a CPA and volunteers tax work for AARP.

Author's intent:
Increase the credit. *See notes*

Does the Author want the legislation moved forward?

Yes No

If no, do we have this in writing?

Yes No

Is the legislation in its final form?

Yes No

If major changes are required, the author shall prepare and introduce the necessary amendments.

Comments from potentially affected parties-
comments.

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1039/2

INTRODUCTION #

AB-138

Admin. Rule #

Subject

Adjust Married Persons Individual Income Tax Credit

Fiscal Effect

State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be Possible to Absorb
 Within Agency's Budget Yes No
 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

- 5. Types of Local Governmental Units Affected:**
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

This bill adjusts the married couple credit against individual income tax liability when both spouses have earnings to allow a credit of 3% of the earned income of the lower-earning spouse or \$10,000, whichever is greater (up to a maximum credit of \$480 in tax year 2001). Currently, the married couple credit is based only on the earned income of the lower-earning spouse, not on a predetermined minimum amount.

Based on a simulation using the 1999 Wisconsin Individual Income Tax Model, providing a \$10,000 minimum income amount for the married couple credit will reduce income tax revenues by \$30 million in tax year 2001.

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Meredith Krejny, (608) 261-8984	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	3/5/01

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01-1039/2
 INTRODUCTION # AB-138

Admin. Rule #

Subject
 Adjust Married Persons Individual Income Tax Credit

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds		
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ - 30 million
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ - 30 million

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ - 30 million	\$ _____

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue	Yeang-Eng Braun	3/5/01
Meredith Krejny, (608) 261-8984	(608) 266-2700 <i>Yeang Eng Braun</i>	