

2003 SENATE BILL 367

January 7, 2004 - Introduced by Senators HANSEN, WIRCH, ROESSLER, SCHULTZ and ERPENBACH, cosponsored by Representatives BALOW, TAYLOR, LADWIG, HEBL, TURNER, SERATTI, GUNDRUM, FREESE and ALBERS. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT to amend** 71.05 (6) (b) 21. of the statutes; **relating to:** increasing the
2 amount of the individual income tax subtract modification for social security
3 benefits.

Analysis by the Legislative Reference Bureau

In general, under current law, 50% of certain social security benefits is taxed by this state once the recipient's income reaches \$34,000 for a single individual or \$44,000 for a married couple filing jointly, while the federal government taxes 85% of these same benefits. This bill exempts from taxation completely the social security benefits which are included in the calculation of a taxpayer's federal adjusted gross income.

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) 21. of the statutes is amended to read:
5 71.05 **(6)** (b) 21. The ~~difference between the amount of social security benefits~~
6 included in federal adjusted gross income for the current year ~~and the amount as~~

SENATE BILL 367**SECTION 1**

1 calculated under section 86 of the ~~internal revenue code as that section existed on~~
2 ~~December 31, 1992~~ Internal Revenue Code.

3 **SECTION 2. Initial applicability.**

4 (1) This act first applies to taxable years beginning on January 1 of the year
5 in which this subsection takes effect, except that if this subsection takes effect after
6 July 31 this act first applies to taxable years beginning on January 1 of the year
7 following the year in which this subsection takes effect.

8 (END)