

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2003 ASSEMBLY BILL 155**

AN ACT *to create* 71.05 (6) (b) 34. and 71.07 (6m) (c) 4. of the statutes; **relating to:** creating an individual income tax exemption for pay received from the federal government by certain members of a reserve component of the armed forces who serve on active duty and limiting eligibility for the armed forces member credit.

Analysis by the Legislative Reference Bureau

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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, after being called into active federal service under the provisions of 10
1 USC 12302 (a) or 10 USC 12304, or into special state service authorized by the
2 federal department of defense under 32 USC 502 (f), that is paid to the person for a
3 period of time during which the person is on active duty.

4 **SECTION 1m.** 71.07 (6m) (c) 4. of the statutes is created to read:

5 71.07 **(6m)** (c) 4. No credit may be claimed under this subsection by an
6 individual who claims the subtraction under s. 71.05 (6) (b) 34.

7 **SECTION 2. Initial applicability.**

8 (1) This act first applies to taxable years beginning on January 1 of the year
9 in which this subsection takes effect, except that if this subsection takes effect after
10 July 31 this act first applies to taxable years beginning on January 1 of the year
11 following the year in which this subsection takes effect.

12 (END)