

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

April 16, 2003 – Offered by Representatives MUSSER and PETTIS.

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

Analysis by the Legislative Reference Bureau

This substitute amendment creates an individual income tax exemption for pay received from the federal government by a member of a reserve component of the armed forces who is called to active federal service or special state service. The exemption applies to any amounts of military pay that are paid to the person and that relate to the period of time during which the person is on active duty.

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

5 **SECTION 1.** 71.05 (6) (b) 34. of the statutes is created to read:
6 71.05 **(6)** (b) 34. Any amount of basic, special, and incentive pay income or
7 compensation, as those terms are used in 37 USC chapters 3 and 5, received from the

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

6 **SECTION 2. Initial applicability.**

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

11 (END)