

2005 DRAFTING REQUEST

Bill

Received: 11/04/2004

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Terry Musser (608) 266-7461**

By/Representing: **Kathy**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - dedct/sbtrct**
Tax, Individual - income credit

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Musser@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Individual income tax exemption for military income; sunset armed forces member tax credit

Instructions:

See Attached. Redraft 2003 AB 647, LRB -3546/1. Advance dates 2 years.

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>
/?	mshovers 11/04/2004	lkunkel 11/17/2004 lkunkel 11/18/2004		_____			State Tax
/1			rschluet 11/18/2004	_____	lnorthro 11/18/2004	mbarman 01/18/2005	

FE Sent For:

↳ At Intro.

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LRB-0641

11/18/2004 01:08:01 PM

Page 2

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

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<END>

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Instructions:

See Attached. Redraft 2003 AB 647, LRB -3546/1. Advance dates 2 years.

*Kathie says dates
in instructions are
wrong - advance
1 year, for now*

Drafting History:

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1?	mshovers	1/mk 11/17					
MES	11	11/4/04					

FE Sent For: 11 18 4 <END>

Shovers, Marc

From: Musser, Terry
ent: Thursday, November 04, 2004 9:49 AM
o: Shovers, Marc
Subject: Draft Request

Marc,

Terry would like to have 2003 AB 647 (LRB-3546/1) redrafted for 2005, regarding an income tax exemption for active duty military.

Note: The sunset of the tax credit mentioned then would be 12/31/2005.

Note: The Analysis says the bill would be referred to the Tax Exemptions Committee.... but in reality it went to the Ways and Means Committee (as in introduced-by line).

Terry said he'd like this one to have priority, if possible.

Thanks!

Kathie @ Rep Musser's Office
266-7461

rep.musser@legis.state.wi.us

-0641/1
mfb
R mfk

2005 2003 ASSEMBLY BILL 647

A NOTE

November 10, 2003 - Introduced by Representatives MUSSER, J. FITZGERALD, BOYLE, PETROWSKI, TOWNSEND, PETTIS, HUNDERTMARK, NISCHKE, GUNDRUM, SINICKI, J. WOOD, FREESE, JENSEN, NASS, TOWNS, MCCORMICK, KREIBICH, ALBERS, F. LASEE, HAHN, KRAWOZYK, GUNDERSON, OWENS and BIES, cosponsored by Senators SCHULTZ, HARSDOFF, ROESSLER, WIRCH and LASSA Referred to Committee on Ways and Means.

Re
gen

1 AN ACT to create 71.05 (6) (b) 34. and 71.07 (6m) (c) 4. of the statutes; relating
2 to: creating an individual income tax exemption for military income received
3 by certain members of the U.S. armed forces and sunsetting the armed forces
4 member tax credit.

Analysis by the Legislative Reference Bureau

* For taxable years beginning after December 31, 2003, 2004, this bill exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. armed forces.

Under current law, the armed forces member tax credit allows an active duty member of the U.S. armed forces to claim a nonrefundable individual income tax credit of up to \$200 in military income received each year from the federal government for services performed while the claimant is stationed outside of the United States. Because the credit is nonrefundable, no amount will be paid to the claimant by check if the credit he or she is due exceeds his or her tax liability.

Under this bill, no new claims may be made for the credit for taxable years that begin after December 31, 2003, 2004.

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.

ASSEMBLY BILL 647

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:

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SECTION 1. 71.05 (6) (b) ~~34~~³⁵ of the statutes is created to read:

71.05 (6) (b) ~~34~~³⁵. For taxable years that begin after December 31, ~~2003~~²⁰⁰⁴, any amount of basic, special, or incentive pay income, as those terms are used in 37 USC chapters 3 and 5, received from the federal government by an individual who is on active duty in the U.S. armed forces, as defined in 26 USC 7701 (a) (15).

SECTION 2. 71.07 (6m) (c) ~~4~~⁵ of the statutes is created to read:

71.07 (6m) (c) ~~4~~⁵. No new claims may be filed under this subsection for taxable years that begin after December 31, ~~2003~~²⁰⁰⁴.

, to the extent that (END)
such income is not subtracted under subd. 34 ✓

D-NOTE

Representative Musser:

Kathie,

Based on my conversation with Kathie, I believe that the dates in the bill reflect your intent. Please let me know if you want the date changed. If this bill is not enacted by ~~the~~^{by} approximately August 1, 2005, the dates will need to be advanced by one year. Also, is the phrase "26 USC 7701 (a) (15)", in s. 71.05 (6) (b) 35, needed? I inserted after "26 USC 7701 (a) (15)", in s. 71.05 (6) (b) 35, needed? You may want to check with Veterans Affairs and DOR to see whether the income subtracted described under s. 71.05 (6) (b) 34, could also be subtracted under subd. 35, as created in this bill. If so, my added phrase is necessary to prevent a double benefit.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0641/1dn
MES:lmk&cmh:rs

November 18, 2004

Representative Musser:

Based on my conversation with Kathie, I believe that the dates in the bill reflect your intent. Please let me know if you want the date changed. If this bill is not enacted by approximately August 1, 2005, the dates will need to be advanced by one year.

Also, is the phrase I inserted after "26 USC 7701 (a) (15)", in s. 71.05 (6) (b) 35., needed? You may want to check with Veterans Affairs and DOR to see whether the income described under s. 71.05 (6) (b) 34. could also be subtracted under subd. 35. as created in this bill. If so, my added phrase is necessary to prevent a double benefit.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us

Barman, Mike

From: Colbert, Kathie
Sent: Tuesday, January 18, 2005 2:48 PM
To: LRB.Legal
Subject: Draft review: LRB 05-0641/1 Topic: Individual income tax exemption for military income; sunset armed forces member tax credit

It has been requested by <Colbert, Kathie> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-0641/1 Topic: Individual income tax exemption for military income; sunset armed forces member tax credit