

2005 DRAFTING REQUEST

Bill

Received: 09/12/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Gabe Loeffelholz (608) 266-1170

By/Representing: Ginger

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Tax, Individual - income credit

Extra Copies: RPN

Submit via email: YES

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

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Veterans and surviving spouses property tax credit

Instructions:

See Attached. Allow eligibility for the entire amount of property taxes paid if the property is marital property or owned jointly by spouses if only one of the spouses is an eligible veteran

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>
/?				_____			State
/1	mshovers 09/15/2005	kfollett 09/15/2005	pgreensl 09/15/2005	_____	lnorthro 09/15/2005	lnorthro 09/15/2005	

FE Sent For:

<END>

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FE Sent For:

<END>

LRB-3649

Jere Bauer
Gov. took all positions
DOT + SPD got out by Jt.
Restore DVA positions
& money

Post-Budget Omnibus Bill

1. Reversal of IT (SIS) Consolidation for WDVA servers [TR].

ISSUE: The consolidation of IT servers under 2005 Wis. Act 25 creates an untenable burden upon the Wis. Dept. of Veterans Affairs due to a host of issues: increased costs; staffing issues; security and HIPAA privacy issues; remote site maintenance issues.

Language should be crafted that reverses the consolidation for WDVA, essentially providing a retroactive waiver similar to the exemption provided to the Dept. of Justice and the State Public Defender. The provision should reverse the transfer of staff (3.29 FTE and funding (\$224,000) associated with the consolidation.

2. Tax Credit fix - 50% for married veterans issue [AH].

ISSUE: Under the statutory language created by 2005 Wis. Act 25 as s. 71.07 (6e), the Property Tax Credit for Veterans and Surviving Spouses provides a reimbursable property tax credit equal to 100% of the property taxes paid by an eligible program participant. The Dept. of Revenue is interpreting s. 71.07 (6e) (a) 5. to mean for married couples with a jointly owned home, where only one of the spouses is a veteran, the veteran can only claim the credit for 50% of the property taxes paid. U

Under s. 71.07 (6e) (a) 5., "If the principal dwelling on which the taxes were paid is owned by 2 or more persons or entities as joint tenants or tenants in common or is owned by spouses as marital property, "property taxes" is that part of property taxes paid that reflects the ownership percentage of the claimant." Language should be added to this section that will ensure eligibility for the credit for the full taxes paid on a principal dwelling owned jointly by spouses or as marital property, where one of the spouses is an eligible veteran.

3. Misc. technical fixes [BK & JR]

ISSUE: Garnishment & Execution. The following amendment would exclude chapter 45 educational and retraining grant and economic assistance grant programs from garnishment and execution, and preclude the assignment of any of these grants to another.

45.03 (8) (b) of the statutes is amended to read:

45.03 (8) (b) The benefits and aid provided under ss. ~~45.20 (3), 45.21, and 45.40~~ are not assignable and are exempt from garnishment and execution.

Deleted: 45.20 (3)

ISSUE: Use of the word "Veteran". In Act 22, Ch. 45 was recodified to ensure a single definition and usage of the term "veteran" throughout the chapter.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-3658/1

MSG.kjf

RMP

2005 BILL

WANTED
1 p.m.

gen

- 1 AN ACT ...; relating to: expanding eligibility for the veterans and surviving
2 spouses property tax credit.

Analysis by the Legislative Reference Bureau

Under current law as created in the the budget bill, 2005 Wisconsin Act 25, there exists a refundable individual income tax credit that may be claimed by certain U.S. armed forces veterans and by the unremarried surviving spouses of certain veterans or members of the national guard or reserves. The amount of the credit that may be claimed is the amount of property taxes paid by a claimant on the claimant's principal dwelling in the year to which the claim relates. Because the credit is refundable, if the amount of the credit for which the claimant is eligible exceeds the claimant's tax liability, the excess amount of the credit is paid to the claimant by check.

Under this bill, the eligibility for the credit is expanded to ensure that if a principle dwelling is owned jointly by spouses or as marital property, where only one of the spouses is an eligible veteran, the credit may be claimed for the full amount of taxes paid on the principle dwelling.

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:

BILL

SECTION 1

1 **SECTION 1.** 71.07 (6e) (a) 5. of the statutes, as created by 2005 Wisconsin Act
2 25, is amended to read:

3 71.07 **(6e)** (a) 5. "Property taxes" means real and personal property taxes,
4 exclusive of special assessments, delinquent interest, and charges for service, paid
5 by a claimant on the claimant's principal dwelling in this state during the taxable
6 year for which credit under this subsection is claimed, less any property taxes paid
7 which are properly includable as a trade or business expense under section 162 of the
8 Internal Revenue Code. If the principal dwelling on which the taxes were paid is
9 owned by 2 or more persons or entities as joint tenants or tenants in common ~~or is~~
10 ~~owned by spouses as marital property~~, "property taxes" is that part of property taxes
11 paid that reflects the ownership percentage of the claimant, except that this
12 limitation does not apply to spouses who own the principle dwelling jointly or as
13 marital property. *ops: one plain period* If the principal dwelling is sold during the taxable year, the
14 "property taxes" for the seller and buyer shall be the amount of the tax prorated to
15 each in the closing agreement pertaining to the sale or, if not so provided for in the
16 closing agreement, the tax shall be prorated between the seller and buyer in
17 proportion to months of their respective ownership. "Property taxes" includes
18 monthly parking permit fees in respect to a principal dwelling collected under s.
19 66.0435 (3) (c).

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27
ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299; 1999 a. 5, 9, 10, 32; 1999 a. 150 s. 672; 1999 a. 198; 2001 a. 16, 109; 2003 a. 72, 99, 135,
183, 255, 267, 326; 2005 a. 25.

SECTION 2. Initial applicability.

(1) This act first applies to taxable years beginning on January 1, 2005.

(END)

Northrop, Lori

From: Mueller, Virginia (Legislature)
Sent: Thursday, September 15, 2005 11:50 AM
To: LRB.Legal
Subject: Draft review: LRB 05-3658/1 Topic: Veterans and surviving spouses property tax credit

It has been requested by <Mueller, Virginia (Legislature)> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-3658/1 Topic: Veterans and surviving spouses property tax credit

Follett, Kathy

From: Shovers, Marc
Sent: Friday, September 16, 2005 12:48 PM
To: Siciliano, Chris; Follett, Kathy
Subject: 05-3658_1.pdf; TYPO!

Attachments: 05-3658_1.pdf

This bill, AB 668, uses the word "principle" in the 2nd paragraph of the analysis, and on p. 2, line 12; the word should be "principal." Can we do a CCC? I'll be at a CLE this afternoon, but will be back around 4:45. If we do a CCC, could you please let Pam Shannon know at Leg. Council? Her number is 6-2680. Thanks.

Marc



05-3658_1.pdf (11 KB)



State of Wisconsin
2005 - 2006 LEGISLATURE

Corrected Copy

LRB-3658/1
MES:kjf:pg

09-19-05

2005 ASSEMBLY BILL 668

September 15, 2005 - Introduced by Representative LOEFFELHOLZ, cosponsored by Senator LEIBHAM. Referred to Committee on Veterans Affairs.

1 AN ACT *to amend* 71.07 (6e) (a) 5. of the statutes; **relating to:** expanding
2 eligibility for the veterans and surviving spouses property tax credit.

Analysis by the Legislative Reference Bureau

Under current law as created in the the budget bill, 2005 Wisconsin Act 25, there exists a refundable individual income tax credit that may be claimed by certain U.S. armed forces veterans and by the unremarried surviving spouses of certain veterans or members of the national guard or reserves. The amount of the credit that may be claimed is the amount of property taxes paid by a claimant on the claimant's principal dwelling in the year to which the claim relates. Because the credit is refundable, if the amount of the credit for which the claimant is eligible exceeds the claimant's tax liability, the excess amount of the credit is paid to the claimant by check.

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