

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 903**

March 17, 2006 – Offered by Representative OWENS.

1 **AN ACT to create** 71.05 (6) (b) 39. and subchapter XVI of chapter 71 [precedes
2 71.98] of the statutes; **relating to:** creating an individual income tax deduction
3 for certain amounts of mileage reimbursement received by volunteer drivers
4 and adopting federal law as it relates to mileage reimbursement related to
5 Hurricane Katrina.

Analysis by the Legislative Reference Bureau

Generally, if a volunteer driver for a charitable organization is reimbursed for his or her mileage expenses, the volunteer must, under current federal law, claim the amount of the reimbursement as taxable income. Also under current federal law, the volunteer may claim an income tax charitable deduction for his or her mileage expenses at the current statutory mileage rate of 14 cents per mile. In general, Wisconsin conforms to these federal laws.

Under the federal Hurricane Katrina Emergency Tax Relief Act of 2005 (KETRA), the 14 cents per mile rate is increased, for relief related to Hurricane Katrina, to 29 cents per mile for expenses incurred before September 1, 2005, and to 34 cents per mile for expenses incurred after that date. The substitute amendment adopts this portion of the Internal Revenue Code for Wisconsin purposes.

Also under this substitute amendment, a volunteer driver for a charitable organization may deduct from income any amount of mileage reimbursement that

