

## 2005 ASSEMBLY BILL 1154

March 29, 2006 – Introduced by Representatives SUDER, PETTIS, NISCHKE, KERKMAN, GRONEMUS, LOTHIAN, NASS, LOEFFELHOLZ, JESKEWITZ, ZIEGELBAUER, TOWNS, GUNDRUM, LEMAHIEU, J. FITZGERALD, MUSSER, HINES, FREESE, GUNDERSON, KRAWCZYK, RHOADES, HAHN, STONE, NERISON, ALBERS, F. LASEE, VOS, PETROWSKI, TOWNSEND, McCORMICK, BIES, OWENS, HONADEL and DAVIS, cosponsored by Senators KANAVAS, KEDZIE and DARLING. Referred to Committee on Ways and Means.

1     **AN ACT** *to renumber and amend* 72.02; *to amend* 72.01 (11m) and 72.01 (11n);  
2             and *to create* 72.02 (2) of the statutes; **relating to:** reducing the amount of the  
3             estate tax imposed by the state.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the state imposes an estate tax on the transfer of all property that is subject to a federal estate tax and that is within the jurisdiction of this state for tax purposes. Under current law, because of provisions in the federal estate tax law, the state will impose no estate tax on transfers related to deaths occurring after December 31, 2007, unless the federal government revives the federal estate tax.

Under this bill, the amount of the state estate tax imposed on the transfer of all property that is subject to a federal estate tax and that is within the jurisdiction of this state for tax purposes is reduced by 25 percent for transfers because of deaths occurring in 2005, 50 percent for transfers because of deaths occurring in 2006, and 75 percent for transfers because of deaths occurring in 2007.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

**ASSEMBLY BILL 1154****SECTION 1**

1           **SECTION 1.** 72.01 (11m) of the statutes is amended to read:

2           72.01 **(11m)** “Federal credit” means, for deaths occurring after September 30,  
3 2002, and before January 1, 2008, the federal estate tax credit allowed for state death  
4 taxes as computed under the federal estate tax law in effect on December 31, 2000,  
5 ~~and for deaths occurring after December 31, 2007, the federal estate tax credit~~  
6 ~~allowed for state death taxes as computed under the federal estate tax law in effect~~  
7 ~~on the day of the decedent’s death.~~

8           **SECTION 2.** 72.01 (11n) of the statutes is amended to read:

9           72.01 **(11n)** “Federal estate tax” means, for deaths occurring after September  
10 30, 2002, and before January 1, 2008, the federal estate tax as computed under the  
11 federal estate tax law in effect on December 31, 2000, ~~and for deaths occurring after~~  
12 ~~December 31, 2007, the federal estate tax as computed under the federal estate tax~~  
13 ~~law in effect on the day of the decedent’s death.~~

14           **SECTION 3.** 72.02 of the statutes is renumbered 72.02 (1) and amended to read:

15           72.02 **(1)** An estate tax is imposed upon the transfer of all property that is  
16 subject to a federal estate tax and that has a taxable situs in this state. ~~The Except~~  
17 ~~as provided in sub. (2), the~~ tax imposed is equal to the federal credit against the  
18 federal estate tax as finally determined. If only a portion of a decedent’s property has  
19 a taxable situs in this state, the tax imposed is the amount obtained by multiplying  
20 the federal credit by a fraction the numerator of which is the value of the decedent’s  
21 estate that has a taxable situs in this state and the denominator of which is the total  
22 value of the property in the estate that qualifies for the federal credit.

23           **SECTION 4.** 72.02 (2) of the statutes is created to read:

24           72.02 **(2)** The tax imposed under sub. (1) shall be reduced by 25 percent for  
25 transfers because of deaths occurring in 2005, 50 percent for transfers because of

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1 deaths occurring in 2006, and 75 percent for transfers because of deaths occurring  
2 in 2007. The tax imposed under this chapter does not apply to deaths occurring after  
3 December 31, 2007.

4 (END)