

2005 DRAFTING REQUEST

Bill

Received: **02/27/2006**

Received By: **jkreye**

Wanted: **Today**

Identical to LRB:

For: **Michael Huebsch (608) 266-2401**

By/Representing: **jodi**

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

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Other - estate**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

Reducing the amount of the estate tax imposed by the state

Instructions:

See Attached

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>
/?	jkreye 02/27/2006	lkunkel 02/27/2006		_____			State
/1			rschluet 02/27/2006	_____	lnorthro 02/27/2006	mbarman 02/27/2006	

FE Sent For:

<END>

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/?	jkreye	1/mk 2/27					
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FE Sent For:

<END>

Kreye, Joseph

From: Jensen, Jodi
Sent: Monday, February 27, 2006 11:30 AM
To: Kreye, Joseph
Subject: Drafting Request

Hi Joe - Rep. Huebsch would like an assembly companion to SB 16. Please incorporate the amendment adopted by the Senate. Thanks.

Jodi

m 2-27-06
Today

2005 SENATE BILL 16

January 20, 2005 - Introduced by Senators KANAVAS, ROESSLER, LEIBHAM, OLSEN, DARLING, A. LASEE, KEDZIE, GROTHMAN and STEPP, cosponsored by Representatives JENSEN, 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, VRAKAS, VOS, PETROWSKI, TOWNSEND, MCCORMICK, BIES, OWENS, HONADEL and DAVIS. Referred to Committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform.

D-N

reg
✓

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

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.

INSERT 1-3

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

3

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

SENATE BILL 16

SECTION 1

1 72.02 (1) An estate tax is imposed upon the transfer of all property that is
 2 subject to a federal estate tax and that has a taxable situs in this state. The Except
 3 as provided in sub. (2), the tax imposed is equal to the federal credit against the
 4 federal estate tax as finally determined. If only a portion of a decedent's property has
 5 a taxable situs in this state, the tax imposed is the amount obtained by multiplying
 6 the federal credit by a fraction the numerator of which is the value of the decedent's
 7 estate that has a taxable situs in this state and the denominator of which is the total
 8 value of the property in the estate that qualifies for the federal credit.

9 ~~SECTION 2.~~ 72.02 (2) of the statutes is created to read:

10 72.02 (2) The tax imposed under sub. (1) shall be reduced by 25 percent for
 11 transfers because of deaths occurring in 2005, 50 percent for transfers because of
 12 deaths occurring in 2006, and 75 percent for transfers because of deaths occurring
 13 in 2007. ^{FWR}

(END)

14

INSERT
2-13

dn

**SENATE AMENDMENT 1,
TO 2005 SENATE BILL 16**

INSERT
1-3

April 5, 2005 – Offered by Senator KANAVAS.

1 ~~At the locations indicated, amend the bill as follows:~~

2 **1.** Page 1, line 3: before that line insert:

3 ~~SECTION 1b.~~ [✓] 72.01 (11m) of the statutes is amended to read:

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

10 ~~SECTION 1d.~~ [✓] 72.01 (11n) of the statutes is amended to read:

11 72.01 (11n) "Federal estate tax" means, for deaths occurring after September
12 30, 2002, and before January 1, 2008, the federal estate tax as computed under the
13 federal estate tax law in effect on December 31, 2000, and for deaths occurring after

INSERT 1-3

1 December 31, 2007, the federal estate tax as computed under the federal estate tax
2 law in effect on the day of the decedent's death."

3 ~~2.~~ Page 1, line 3: delete "SECTION 1" and substitute "SECTION 1m".

4 ~~3.~~ Page 2, line 13: after "2007," insert "The tax imposed under this chapter
5 does not apply to deaths occurring after December 31, 2007."

6 (END)

INSERT
2-15

4759/ldm
VLC

Huebsch:

Representative Huebsch:

If this draft is identical to 2005 Senate Bill

16, ^{AS} or amended by Senate Amendment 10

VLC



**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4759/1dn
JK:lmk:rs

February 27, 2006

Representative Huebsch:

This draft is identical to 2005 Senate Bill 16, as amended by Senate Amendment 1.

Joseph T. Kreye
Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.state.wi.us

Barman, Mike

From: Jensen, Jodi
Sent: Monday, February 27, 2006 4:51 PM
To: LRB.Legal
Subject: Draft Review: LRB 05-4759/1 Topic: Reducing the amount of the estate tax imposed by the state

Please Jacket LRB 05-4759/1 for the ASSEMBLY.