

2007 DRAFTING REQUEST

Bill

Received: 03/15/2007

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Brett Davis (608) 266-1192

By/Representing: Luke

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Tax, Individual - income credit

Extra Copies:

Submit via email: YES

Requester's email: Rep.Davis@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Nonrefundable individual income tax credit for certain income received by volunteer emergency personnel

Instructions:

Redraft 2005 AB 995 (LRB -3935), but address DOR's concern (see 2005 session tech memo) to prohibit definition of income to include non-taxable items, such as mileage and equipment reimbursement

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 03/15/2007	jdye 03/16/2007		_____			State
/1			pgreensl 03/16/2007	_____	sbasford 03/16/2007	sbasford 03/06/2008	

FE Sent For: /1 @ intro 3-11-08 <END>

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/? mshovers

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3/16

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11 ME 5 3/15/07

PR

PR PRO

FE Sent For:

<END>

Shovers, Marc

From: Bacher, Luke
Sent: Tuesday, March 13, 2007 4:06 PM
To: Shovers, Marc

Marc -

Can you redraft 2005 ASSEMBLY BILL 995 (LRB-3935/2)?

Thank you,

Luke

Luke Bacher
Research Assistant
State Representative Brett Davis
Phone: (608)-266-1192
Toll Free: 888-534-0080
Fax: 608-282-3680
luke.bacher@legis.wi.gov
<http://www.brettdavis.us>

3/15/07
Luke say to make this
change

MEMORANDUM

February 14, 2006

TO: Marc Shovers
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 995 (LRB 3935/2) – Volunteer
Firefighter and EMT Credit

Section 71.07(6f)(a)2 defines income as "income received by a claimant that relates to the individual's service as a volunteer fire fighter, volunteer first responder, or volunteer emergency medical technician in the year to which the claim relates." Is it the intent to allow a credit for amounts that may not be taxable, such as reimbursement for mileage or equipment? If not, the words "and included in Wisconsin adjusted gross income" should be added.

This credit will cause confusion for nonresidents. Because a volunteer first responder or a volunteer emergency medical technician must be licensed by Wisconsin, a nonresident will qualify only if he or she is a volunteer fire fighter. This will not be a problem if the bill is amended as suggested above to require the income to be included in Wisconsin adjusted gross income. A nonresident will generally not be including such volunteer income as Wisconsin income.

This bill will add complexity to the tax forms as the individuals will have to determine their marginal tax rate and multiply that rate by their income. Three different schedules will be needed in the form instructions to aid in determining the marginal tax rate based on filing status. It would be simpler to allow a subtraction for the income rather than a credit.

If you have any questions regarding this technical memorandum, please contact me at (608) 266-6785.

cc: Representative Davis

-2255/1
LRB-3935/2
MES/jld:pg
stays RMR

2007 2005 ASSEMBLY BILL 995

February 7, 2006 - Introduced by Representatives DAVIS, LOTHIAN, ALBERS, BIES, FREESE, GRONEMUS, GUNDERSON, HAHN, HINES, HUNDERTMARK, KERKMAN, KRAWCZYK, MCCORMICK, MONTGOMERY, MUSSER, OTT, PETROWSKI, PETTIS, RHOADES, SHERMAN, TOWNS, VAN ROY, VOS and M. WILLIAMS, cosponsored by Senators ZIEN, BROWN, GROTHMAN, A. LASEE, LEIBHAM, ROESSLER and WIRCH. Referred to Committee on Ways and Means.

gen

1 AN ACT to create 71.07 (6f) and 71.10 (4) (cf) of the statutes; relating to: a
2 nonrefundable individual income tax credit for certain income received by a
3 volunteer fire fighter, volunteer first responder, or volunteer emergency
4 medical technician.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit for income received by a volunteer fire fighter, volunteer first responder, or volunteer emergency medical technician (EMT), to the extent that the income relates to the individual's service as a volunteer fire fighter, volunteer first responder, or EMT, multiplied by the claimant's marginal tax rate. Because the credit is nonrefundable, it may be claimed only up to the amount of a claimant's income tax liability. For claimants who are nonresidents or part-year residents of Wisconsin, the credit that may be claimed is prorated based on the ratio of the claimant's Wisconsin adjusted gross income (AGI) to federal AGI.

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:

5 SECTION 1. 71.07 (6f) of the statutes is created to read:

ASSEMBLY BILL 995

1 71.07 (6f) VOLUNTEER EMERGENCY PERSONNEL TAX CREDIT. (a) *Definitions*. In this
2 subsection:

3 1. "Claimant" means a volunteer fire fighter; a volunteer first responder, as
4 that term is defined in s. 146.50 (1) (hm); or a volunteer emergency medical
5 technician, as that term is defined in s. 146.50 (1) (e), who claims a credit under this
6 subsection.

7 2. "Income" means income received by a claimant that relates to the
8 individual's service as a volunteer fire fighter, volunteer first responder, or volunteer
9 emergency medical technician in the year to which the claim relates.

*and is included in
Wisconsin adjusted
gross income*

10 (b) *Filing claims*. Subject to the limitations provided in this subsection, a
11 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
12 amount of those taxes, an amount equal to the claimant's income, multiplied by the
13 claimant's marginal tax rate.

14 (c) *Limitations*. 1. No credit may be allowed under this subsection unless it
15 is claimed within the time period under s. 71.75 (2).

16 2. A claimant who is a nonresident or part-year resident of this state and who
17 is a single person or a married person filing a separate return shall multiply the
18 credit for which the claimant is eligible under par. (b) by a fraction the numerator of
19 which is the claimant's Wisconsin adjusted gross income and the denominator of
20 which is the claimant's federal adjusted gross income. If a claimant is married and
21 files a joint return, and if the claimant or the claimant's spouse, or both, are
22 nonresidents or part-year residents of this state, the claimant shall multiply the
23 credit for which the claimant is eligible under par. (b) by a fraction the numerator of
24 which is the couple's joint Wisconsin adjusted gross income and the denominator of
25 which is the couple's joint federal adjusted gross income.

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1 (d) *Administration*. Subsection (9e) (d),[✓] to the extent that it applies to the credit
2 under that subsection, applies to the credit under this subsection.[✓]

3 **SECTION 2.** 71.10^x (4) (cf) of the statutes is created to read:

4 71.10 (4) (cf) The volunteer emergency personnel tax credit under s. 71.07 (6f).[✓]

5 **SECTION 3. Initial applicability.**

6 (1) This act first applies to taxable years beginning on January 1 of the year
7 in which this subsection takes effect, except that if this subsection takes effect after
8 July 31 this act first applies to taxable years beginning on January 1 of the year
9 following the year in which this subsection takes effect.[✓]

10 (END)

Parisi, Lori

From: Bacher, Luke
Sent: Thursday, March 06, 2008 12:43 PM
To: LRB.Legal
Subject: Draft Review: LRB 07-2255/1 Topic: Nonrefundable individual income tax credit for certain income received by volunteer emergency personnel

Please Jacket LRB 07-2255/1 for the ASSEMBLY.