

2007 SENATE BILL 112

March 23, 2007 – Introduced by Senators RISSER, WIRCH, HANSEN and SCHULTZ, cosponsored by Representatives WIECKERT, ZEPNICK, VOS, CULLEN, HAHN, BOYLE, KLEEFISCH, HEBL, OWENS, A. OTT, JESKEWITZ, MUSSER, BERCEAU and MOLEPSKE. Referred to Committee on Labor, Elections and Urban Affairs.

1 **AN ACT to create** 71.07 (6f) and 71.10 (4) (cf) of the statutes; **relating to:** creating
2 a nonrefundable individual income tax credit for contributions to candidates for
3 elective public office.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit for any lawful amount contributed by an individual to an individual who is a candidate in this state for elective public office. The credit is calculated by multiplying the amount of the contribution by the claimant's marginal tax rate. The maximum annual political contribution on which the credit may be calculated is \$100. 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:

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

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1 71.07 (6f) POLITICAL CAMPAIGN CONTRIBUTION TAX CREDIT. (a) *Definitions.* In this
2 subsection:

3 1. “Claimant” means an individual who claims a credit under this subsection
4 for a political contribution.

5 2. “Political contribution” means any lawful amount that an individual
6 contributes, in the year to which the claim relates, to an individual who is a candidate
7 in this state for elective public office.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
9 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
10 amount of those taxes, the amount of the claimant’s political contribution, multiplied
11 by the claimant’s marginal tax rate.

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

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

24 3. The maximum political contribution for which an individual may claim a
25 credit under this subsection, each year, is \$100.

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1 4. Both spouses of a married couple may claim the credit under this subsection.

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

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

5 71.10 (4) (cf) The political campaign contribution tax credit under s. 71.07 (6f).

6 **SECTION 3. Initial applicability.**

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

11

(END)