AN ACT to create 71.07 (8m) and 71.10 (4) (cf) of the statutes; relating to: an individual income tax credit for the sales and use tax paid to purchase corn used for fuel for residential use.

Analysis by the Legislative Reference Bureau

Under current law, the sale of coal, fuel oil, propane, steam, peat, fuel cubes produced from solid waste, and wood used for fuel is exempt from state, county, and special district sales and use taxes, if such items are sold for residential use. This bill allows a person to claim an individual income tax credit in an amount equal to the amount of state and local sales and use taxes that the person paid in the taxable year on the purchase of corn used for fuel for residential use.

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:

SECTION 1. 71.07 (8m) of the statutes is created to read:

71.07 (8m)  CORN USED AS FUEL CREDIT.  (a) Definitions. In this subsection, “claimant” means an individual who claims a credit under this subsection.
(b) **Filing claims.** Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08, up to the amount of those taxes, an amount equal to the amount of taxes imposed under subchs. III and V of ch. 77 that the claimant paid in the taxable year on the purchase of corn that is used for fuel for residential use.

(c) **Limitations.** For a claimant who is a nonresident or part-year resident of this state and who is a single person, multiply the credit for which the claimant is eligible under par. (b) by a fraction, the numerator of which is the individual’s Wisconsin adjusted gross income and the denominator of which is the individual’s federal adjusted gross income. If a claimant is married and files a joint return, and if the claimant or the claimant’s spouse, or both, are nonresidents or part-year residents of this state, multiply the credit for which the claimant is eligible under par. (b) by a fraction, the numerator of which is the couple’s joint Wisconsin adjusted gross income and the denominator of which is the couple’s joint federal adjusted gross income.

(d) **Administration.** No credit may be allowed under this subsection unless it is claimed within the time period under s. 71.75 (2).

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

71.10 (4) (cf) The corn used as fuel credit under s. 71.07 (8m).

**SECTION 3. Initial applicability.**

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

(END)