

2009 DRAFTING REQUEST

Bill

Received: **02/03/2010**

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:

Adtl. Drafters:

Subject: **Tax, Individual - dedct/sbtret**

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:

Repeal individual income capital gains tax changes from Act 28

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>
/?	mshovers 02/03/2010	csicilia 02/08/2010		_____			State Tax
/1			phenry 02/08/2010	_____	sbasford 02/08/2010	sbasford 03/03/2010	

FE Sent For: "1" @ intro, 3/17/10

<END>

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/?	mshovers	1/4/10 2/8/10	2/8/10 bh	2/8/10 ph			

FE Sent For:

<END>

Shovers, Marc

From: Kreye, Joseph
Sent: Wednesday, February 03, 2010 11:46 AM
To: Shovers, Marc
Subject: FW: Cap Gains

Mr. Shovers,

Is this yours?

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Bacher, Luke
Sent: Wednesday, February 03, 2010 11:45 AM
To: Kreye, Joseph
Subject: Cap Gains

Joe -

Can you draft a bill that would reverse the capital gains changes in the most recent state budget?

I think that would mean going to a 60% exclusion.

Thanks,

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



State of Wisconsin
2009 - 2010 LEGISLATURE

From
-4261/1
LRB-3445/T
MES:cjs:rs
Stays RANK

2009 BILL

SAJ

gen

1 AN ACT *to repeal* 71.05 (6) (b) 9m.; and *to amend* 71.05 (6) (b) 9. of the statutes;
2 **relating to:** restoring the treatment of the exclusion of capital gains for
3 individuals and certain other persons that existed before the enactment of 2009
4 Wisconsin Act 28.

Analysis by the Legislative Reference Bureau

Under current law, as affected by 2009 Wisconsin Act 28, the biennial budget bill, there is an income tax exclusion for individuals, fiduciaries, members of limited liability companies and partnerships, and shareholders of tax-option corporations for 30 percent of the net long-term capital gains realized from the sale of assets held more than one year and the sale of all assets acquired from a decedent, and an exclusion for 60 percent of such gains realized from the sale of farm assets held more than one year and the sale of all farm assets acquired from a decedent. This treatment in Act 28 first applies to taxable years beginning on January 1, 2009,

This bill repeals the changes made to the treatment of capital gains by 2009 Wisconsin Act 28. The bill restores the income tax exclusion for capital gains to 60 percent of the net long-term capital gains realized from the sale of assets held more than one year and the sale of all assets acquired from a decedent and repeals the separate 60 percent exclusion for farm assets.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

STET:
leave
as
typed

BILL

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:

✓

1 **SECTION 1.** 71.05 (6) (b) 9. of the statutes, as affected by 2009 Wisconsin Act 28,
2 is amended to read:

3 71.05 (6) (b) 9. On assets held more than one year and on all assets acquired
4 from a decedent, ~~30~~ 60 percent of the capital gain as computed under the internal
5 revenue code, not including capital gains for which the federal tax treatment is
6 determined under section 406 of P.L. 99-514; not including amounts treated as
7 ordinary income for federal income tax purposes because of the recapture of
8 depreciation or any other reason; and not including amounts treated as capital gain
9 for federal income tax purposes from the sale or exchange of a lottery prize. For
10 purposes of this subdivision, the capital gains and capital losses for all assets shall
11 be netted before application of the percentage.

✓

12 **SECTION 2.** 71.05 (6) (b) 9m. of the statutes, as created by 2009 Wisconsin Act
13 28, is repealed.

14 **SECTION 3. Initial applicability.**

15

(1) This act first applies to taxable years beginning on January 1, ~~2009~~ 2010

16

(END)

Basford, Sarah

From: Bacher, Luke
Sent: Wednesday, March 03, 2010 8:27 AM
To: LRB.Legal
Subject: Draft Review: LRB 09-4261/1 Topic: Repeal individual income capital gains tax changes from Act 28

Please Jacket LRB 09-4261/1 for the ASSEMBLY.