

State of Misconsin 2011 - 2012 LEGISLATURE



2011 SENATE BILL 84

April 28, 2011 – Introduced by Senators Hansen, Erpenbach, Carpenter, Holperin, Lassa, Leibham and Taylor, cosponsored by Representatives Petersen, Berceau, Fields, Grigsby, Jorgensen, Milroy, Ringhand and Turner. Referred to Committee on Economic Development and Veterans and Military Affairs.

AN ACT *to create* 71.07 (6e) (a) 2. d. of the statutes; **relating to:** expanding the eligibility of an unremarried surviving spouse of a veteran to claim the veterans and surviving spouses property tax credit.

Analysis by the Legislative Reference Bureau

Under current law, the veterans and surviving spouses property tax credit may be claimed by certain U.S. armed forces veterans and by the unremarried surviving spouses of certain veterans or members of the national guard or reserves (collectively, "veterans"). To be eligible to claim the credit, the veteran must meet several criteria, including having been a resident of this state at the time of entry into the service or having been a resident of this state for any consecutive five—year period after entry into that service, and having either a service—connected disability rating of at least 100 percent or a 100 percent disability rating based on individual unemployability.

Similarly, to be eligible to claim the credit as a spouse of a veteran, the veteran to whom the unremarried surviving spouse was married must have been, generally, a resident of this state at the time of entry into the service or a resident of this state for any consecutive five—year period after entry into that service, and must have had either a service—connected disability rating of at least 100 percent or a 100 percent disability rating based on individual unemployability.

In general, the credit may be currently claimed in an amount equal to the property taxes paid by the claimant on the veteran's principal dwelling in the year to which the claim relates. The credit is refundable. If the amount of the credit for

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which a claimant is eligible exceeds the claimant's income tax liability, the excess amount of the credit is paid to the claimant by check.

This bill expands the definition of eligible unremarried surviving spouse to include an individual who is eligible for, and receives, dependency and indemnity compensation from the federal government due to his or her spouse's status as a veteran whose death was service—connected.

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 (6e) (a) 2. d. of the statutes is created to read:

71.07 **(6e)** (a) 2. d. An individual who had served on active duty under honorable conditions in the U.S. armed forces or in forces incorporated as part of the U.S. armed forces; who was a resident of this state at the time of entry into that active service or who had been a resident of this state for any consecutive 5–year period after entry into that active duty service; who was a resident of this state at the time of his or her death; and following the individual's death, his or her spouse began to receive, and continues to receive, dependency and indemnity compensation, as defined in 38 USC 101 (14).

SECTION 2. 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.

15 (END)