

STATE OF WISCONSIN

REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS

2011 SENATE BILL 89

[Introduced by Senators Kedzie, Olsen, Holperin, Lassa, Hansen, Leibham, Taylor, Wirch, Grothman and Lasee; cosponsored by Representatives Ripp, Nerison, Jacque, Bernier, Ballweg, Spanbauer, Radcliffe, Jorgensen, A. Ott, Bies, Brooks, Mursau, Marklein, Strachota, Kerkman and Nass.]

General Nature of Proposal

Generally, under current law, employers must withhold amounts from an employee's wages in accordance with withholding tables prepared by the Department of Revenue. Current law exempts county fair associations from this withholding requirement with regard to employees who receive less than \$100 annually in wages or salary from the association.

2011 Senate Bill 89 increases the exemption amount to \$500.

Senate Bill 89 first applies to taxable years beginning on January 1 of the year in which it takes effect, except that if it takes effect after July 31, the bill first applies to taxable years beginning on January 1 of the following year.

Legality Involved

There are no issues of legality involved.

Fiscal Effect Upon the State and Its Subdivisions

According to the Department of Revenue:

This bill would have a minimal impact on individual income tax revenue. The bill would delay the receipt of income tax revenue from wages or salaries paid to county fair association employees who earn between \$100 and \$500 to the time when they file their income tax returns. However, this is not expected to have a significant effect.

Public Policy Involved

The Joint Survey Committee on Tax Exemptions supports the public policy within Senate Bill 89.

10/26/11

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