



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0302/P1  
MES:jld:rs

DOA:.....Quinn, BB0033 - Create criminal and civil penalties for false individual income tax refund claims

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT** ...; **relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

This bill creates penalties for a person who negligently or fraudulently files an incorrect claim for a tax refund or credit. Under the bill, the penalty for negligence is 25 percent of the difference between the amount claimed and the amount that should have been claimed, and the penalty for fraud is 100 percent of the difference between the amount claimed and the amount that should have been claimed. In addition, any person, other than a corporation or limited liability company, who files an income tax return in which the person tries to obtain a refund or credit with fraudulent intent is guilty of a Class H felony.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 71.83 (1) (a) 11. of the statutes is created to read:

71.83 (1) (a) 11. ‘Negligently filed claims.’ A person who negligently files an incorrect claim for refund of tax, or credits, under this chapter is subject to a penalty of 25 percent of the difference between the amount claimed and the amount that should have been claimed.

**SECTION 2.** 71.83 (1) (b) 7. of the statutes is created to read:

71.83 (1) (b) 7. ‘Fraudulently filed claims.’ A person who fraudulently files an incorrect claim for refund of tax, or credits, under this chapter is subject to a penalty of 100 percent of the difference between the amount claimed and the amount that should have been claimed.

**SECTION 3.** 71.83 (2) (b) 1. of the statutes is amended to read:

71.83 (2) (b) 1. ‘False income tax return; fraud.’ Any person, other than a corporation or limited liability company, who renders a false or fraudulent income tax return with intent to defeat or evade any assessment required by this chapter, or to obtain a refund or credit with fraudulent intent, is guilty of a Class H felony and may be assessed the cost of prosecution. In this subdivision, “return” includes a separate return filed by a spouse with respect to a taxable year for which a joint return is filed under s. 71.03 (2) (g) to (L) after the filing of that separate return, and a joint return filed by the spouses with respect to a taxable year for which a separate return is filed under s. 71.03 (2) (m) after the filing of that joint return.

**SECTION 9337. Initial applicability; Revenue.**

(1) NEGLIGENTLY OR FRAUDULENTLY FILED INCOME TAX RETURNS. The treatment of section 71.83 (1) (a) 11. and (b) 7. and (2) (b) 1. of the statutes first applies to an income tax return that is filed on the effective date of this subsection.

(END)