

2017 DRAFTING REQUEST

Bill

For: **Don Vruwink (608) 266-3790** Drafter: **mshovers**
 By: **Kelley** Secondary Drafters:
 Date: **8/28/2017** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email: **Rep.Vruwink@legis.wisconsin.gov**
 Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Individual income tax credit to offset certain property tax increases

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	mshovers 12/22/2017	aernstr 8/31/2017	mbarman 10/24/2017		State
/P2	mshovers 1/8/2018	aernstr 12/26/2017	lparisi 12/26/2017		State
/1		aernstr 1/9/2018	mbarman 1/9/2018	dwalker 1/12/2018	State

FE Sent For:

<END>

→ At Intro.

2017 DRAFTING REQUEST

Bill

For: Peter Barca (608) 266-5504

Drafter: mshovers

By: Matt

Secondary Drafters:

Date: 8/28/2017

May Contact:

Same as LRB:

Orig. requestor

Submit via email: YES
Requester's email: Rep.Barca@legis.wisconsin.gov
Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Individual income tax credit to offset certain property tax increases

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	mshovers 8/30/2017	aernstr 8/31/2017	dwalker 8/31/2017		State

FE Sent For: <END>

Shovers, Marc

From: Egerer, Matt
Sent: Monday, August 21, 2017 11:30 AM
To: Shovers, Marc
Subject: Property Tax Income Credit

Marc,

We would like to request a draft that would provide an income tax credit to offset any increase in property taxes (not derived from improvement and reassessment of the property) on the primary residence for people over 70.5 years old (the age when annual withdrawals from tax-deferred retirement accounts is required) with an income of \$30,000 per year or less (\$60,000 for married joint filers).

The credit would be a dollar for dollar offset from GPR of any increased obligation from the effective date of the bill, when the individual turned 70.5, or when they became the property tax payer for the property, whichever is latest.

Matt Egerer
Office of Representative Peter Barca
Assembly Democratic Leader
608.266.5504
[fb.com/RepPeterBarca](https://www.facebook.com/RepPeterBarca) // [@PeterWBarca](https://twitter.com/PeterWBarca)



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4216/P1

MES:...

aha

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Thurs.

John

Sal

1 AN ACT ...; relating to: creating an individual income tax credit for certain
2 property tax increases and making an appropriation

Analysis by the Legislative Reference Bureau

one-

This bill creates a refundable individual income tax credit for claimants who are at least 70 and @ half years old and whose federal adjusted gross income is \$30,000 or less in the year to which the claim relates, or \$60,000 or less if the claimant is married and files a joint return. The credit amount is calculated as the difference between the claimant's property tax assessment on his or her principal dwelling in the year to which the claim relates, and the claimant's property tax assessment on that same dwelling in the previous year. To be able to claim the credit, the claimant must have paid the property taxes that are the basis of the calculation.

Because the credit is refundable, if the amount of the claim exceeds the claimant's tax liability, the excess amount is refunded to the claimant by check. The credit may not be claimed by part-year and nonresidents of this state. Under the bill, no credit may be claimed for any increase in property taxes due to improvements the claimant makes to the principal dwelling.

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.** 20.835 (2) (cb) of the statutes is created to read:

2 20.835 (2) (cb) *Property tax increase offset tax credit.* A sum sufficient to pay
3 the claims approved under s. 71.07 (5p).

4 **SECTION 2.** 71.07 (5p) of the statutes is created to read:

5 71.07 (5p) **PROPERTY TAX INCREASE OFFSET TAX CREDIT.** (a) *Definitions.* In this
6 subsection:

7 1. "Claimant" means an individual, or an individual and his or her spouse, who
8 files a claim under this subsection.

9 2. "Principal dwelling" means any dwelling that is owned and the land
10 surrounding it that is reasonably necessary for use of the dwelling as a primary
11 dwelling of the claimant and may include a part of a multidwelling or multipurpose
12 building and a part of the land upon which it is built that is used as the claimant's
13 primary dwelling.

14 3. "Property taxes" has the meaning given in sub. (9) (a) 3.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
16 claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 the
17 difference between the amount of property taxes the claimant is assessed in the
18 taxable year to which the claim relates on the claimant's principal dwelling and the
19 property taxes the claimant is assessed in the taxable year immediately before the
20 year to which the claim relates on the claimant's principal dwelling, provided the
21 principal dwellings are the same for each taxable year. If the difference between the
22 ² two amounts is positive and if the allowable amount of the claim exceeds the income
23 taxes otherwise due on the claimant's income, the amount of the claim not used as
24 an offset against those taxes shall be certified by the department of revenue to the

1 department of administration for payment to the claimant by check, share draft, or
2 other draft drawn from the appropriation account under s. 20.835 (2) (cb).

3 (c) *Limitations.* 1. No claim may be allowed under this subsection if the
4 claimant has not paid the property taxes on the principal dwelling for the years
5 described in par. (b).

6 2. No credit may be claimed under this subsection for any amount of property
7 taxes related to reassessment of the claimant's principal dwelling that is due to
8 improvements made to the property.

9 3. No claim may be filed under this subsection unless the claimant has reached
10 the age of ^{e 70 and one-half} 70.5 years in the year to which the claim relates, except that if the claimant
11 is married and filing jointly, at least one of the spouses must have reached the age
12 of 70.5 years in the year to which the claim relates.

13 4. If the claimant is a single individual, head of household, or married and filing
14 separately, no claim may be filed under this subsection if the claimant's federal
15 adjusted gross income exceeds \$30,000 in the year to which the claim relates.

16 5. If the claimant is married and filing jointly, no claim may be filed under this
17 subsection if the claimant's federal adjusted gross income exceeds \$60,000 in the
18 year to which the claim relates.

19 6. No credit may be allowed under this subsection unless it is claimed within
20 the period specified under s. 71.75 (2).

21 7. No credit may be claimed under this subsection by nonresidents or part-year
22 residents of this state.

23 (d) *Administration.* Subsection (9e) (d), as it applies to the credit under that
24 subsection, applies to the credit under this subsection.

25 **SECTION 3.** 71.08 (1) (intro.) of the statutes is amended to read:

1 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
2 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
3 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (3y),
4 (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (5p), (6), (6e), (8r), (9e), (9m), and (9r),
5 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), and (3y), 71.47 (1dx), (1dy), (2m), (3), (3n),
6 (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other
7 states under s. 71.07 (7), is less than the tax under this section, there is imposed on
8 that natural person, married couple filing jointly, trust or estate, instead of the tax
9 under s. 71.02, an alternative minimum tax computed as follows:

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109; 2003 a. 99, 135, 255, 326; 2005 a. 25, 177, 361, 479, 483; 2007 a. 20, 97; 2009 a. 2, 28, 269, 295; 2011 a. 260 ss. 24, 80; 2013 a. 62, 145; 2015 a. 55.

10 **SECTION 4.** 71.10 (4) (i) of the statutes is amended to read:

11 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
12 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
13 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
14 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
15 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
16 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
17 71.07 (3rm), food processing plant and food warehouse investment credit under s.
18 71.07 (3rn), business development credit under s. 71.07 (3y), film production services
19 credit under s. 71.07 (5f), film production company investment credit under s. 71.07
20 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e),
21 enterprise zone jobs credit under s. 71.07 (3w), property tax increase offset credit
22 under s. 71.07 (5p), beginning farmer and farm asset owner tax credit under s. 71.07

1 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments under s.
2 71.09, and taxes withheld under subch. X.

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97; 2009 a. 2, 28, 89, 265, 269, 295, 332; 2011 a. 32, 76, 169, 212, 222, 232; 2011 a. 260 ss. 25, 80; 2013 a. 20, 62, 145; 2013 a. 165 s. 114; 2015 a. 55, 197, 218.

3 **SECTION 5. Initial applicability.**

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

8 (END)

Barman, Mike

From: Shovers, Marc
Sent: Tuesday, October 24, 2017 11:31 AM
To: Barman, Mike
Subject: FW: LRB 4216/Prop Tax Bill
Attachments: 17-4216_P1.pdf

Hi Mike:

Could you please change this draft over from Rep. Barca to Rep. Vruwink, based on Matt's email?

Thanks,

Marc

From: Egerer, Matt
Sent: Tuesday, October 24, 2017 10:30 AM
To: Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>
Cc: Flury, Kelley <Kelley.Flury@legis.wisconsin.gov>
Subject: LRB 4216/Prop Tax Bill

Marc,

This bill was drafted on behalf of the Vruwink office and we would like to allow them to take over as the lead office on it going forward. I've included Kelley from the Vruwink office on this email.

Matt

From: Egerer, Matt
Sent: Thursday, August 31, 2017 2:55 PM
To: Flury, Kelley <Kelley.Flury@legis.wisconsin.gov>
Subject: Prop Tax Bill

We received a draft back on the prop tax bill. I'm happy to talk it through with a leg council attorney to ensure it meets our intent, but wanted to share the draft.

Matt Egerer
Office of Representative Peter Barca
Assembly Democratic Leader
608.266.5504
fb.com/RepPeterBarca // @PeterWBarca

Shovers, Marc

From: Flury, Kelley
Sent: Thursday, December 07, 2017 12:42 PM
To: Shovers, Marc
Subject: Request for second draft of LRB-4216/P1

Hi Marc,

Will you please change this bill these two ways:

Instead of the \$30,000 and \$60,000 income limits, make it 250 percent of the federal levels. I am looking at a chart from the Wisconsin Budget Project, which shows 250 percent of the FPL for one person is \$30,150, for two people it is \$40,600, and so on.

Secondly, we want the income tax credit to be equal to only the **school portion** of the property tax assessment. Please let me know if you have questions.

Kelley Flury
Office of Rep. Don Vruwink
608-266-3790



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4216/PJ
MES:ahc

RMK

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*no more than 2.5 times
the federal poverty level*

*Tues.
or
Wed.*

reger

1 **AN ACT** to amend 71.08 (1) (intro.) and 71.10 (4) (i); and to create 20.835 (2) (cb)
2 and 71.07 (5p) of the statutes; relating to: creating an individual income tax
3 credit for certain property tax increases and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a refundable individual income tax credit for claimants who are at least 70 and one-half years old and whose federal adjusted gross income is ~~\$30,000 or less~~ in the year to which the claim relates, ~~or \$60,000 or less if the claimant is married and files a joint return.~~ The credit amount is calculated as the difference between the claimant's property tax assessment on his or her principal dwelling in the year to which the claim relates, and the claimant's property tax assessment on that same dwelling in the previous year. To be able to claim the credit, the claimant must have paid the property taxes that are the basis of the calculation.

*School district
portion of
the*

Because the credit is refundable, if the amount of the claim exceeds the claimant's tax liability, the excess amount is refunded to the claimant by check. The credit may not be claimed by part-year and nonresidents of this state. Under the bill, no credit may be claimed for any increase in property taxes due to improvements the claimant makes to the principal dwelling.

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. 20.835 (2) (cb) of the statutes is created to read:

2 20.835 (2) (cb) *Property tax increase offset tax credit.* A sum sufficient to pay
3 the claims approved under s. 71.07 (5p).

4 SECTION 2. 71.07 (5p) of the statutes is created to read:

5 71.07 (5p) PROPERTY TAX INCREASE OFFSET TAX CREDIT. (a) *Definitions.* In this
6 subsection:

7 1. "Claimant" means an individual, or an individual and his or her spouse, who
8 files a claim under this subsection.

9 4. (2) "Principal dwelling" means any dwelling that is owned and the land
10 surrounding it that is reasonably necessary for use of the dwelling as a primary
11 dwelling of the claimant and may include a part of a multidwelling or multipurpose
12 building and a part of the land upon which it is built that is used as the claimant's
13 primary dwelling.

14 5. (3) "Property taxes" has the meaning given in sub. (9) (a) 3.

15 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
16 claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 the
17 difference between the amount of property taxes the claimant is assessed in the
18 taxable year to which the claim relates on the claimant's principal dwelling and the
19 property taxes the claimant is assessed in the taxable year immediately before the
20 year to which the claim relates on the claimant's principal dwelling, provided the
21 principal dwellings are the same for each taxable year. If the difference between the
22 2 amounts is positive and if the allowable amount of the claim exceeds the income
23 taxes otherwise due on the claimant's income, the amount of the claim not used as
24 an offset against those taxes shall be certified by the department of revenue to the

1 department of administration for payment to the claimant by check, share draft, or
2 other draft drawn from the appropriation account under s. 20.835 (2) (cb).

3 (c) *Limitations.* 1. No claim may be allowed under this subsection if the
4 claimant has not paid the property taxes on the principal dwelling for the years
5 described in par. (b).

6 2. No credit may be claimed under this subsection for any amount of property
7 taxes related to reassessment of the claimant's principal dwelling that is due to
8 improvements made to the property.

9 3. No claim may be filed under this subsection unless the claimant has reached
10 the age of 70.5 years in the year to which the claim relates, except that if the claimant
11 is married and filing jointly, at least one of the spouses must have reached the age
12 of 70.5 years in the year to which the claim relates.

13 4. If the claimant is a single individual, head of household, or married and filing
14 separately, no claim may be filed under this subsection if the claimant's ~~federal~~
15 ~~adjusted gross~~ ^{family} income exceeds ~~\$50,000~~ ^{the poverty level} in the year to which the claim relates.

16 5. If the claimant is married and filing jointly, no claim may be filed under this
17 subsection if the claimant's federal adjusted gross income exceeds \$60,000 in the
18 year to which the claim relates.

19 5. ~~6~~ No credit may be allowed under this subsection unless it is claimed within
20 the period specified under s. 71.75 (2).

21 6. ~~7~~ No credit may be claimed under this subsection by nonresidents or part-year
22 residents of this state.

23 (d) *Administration.* Subsection (9e) (d), as it applies to the credit under that
24 subsection, applies to the credit under this subsection.

25 SECTION 3. 71.08 (1) (intro.) of the statutes is amended to read: ^{as affected by 2017 Wisconsin}
^{Act 58.}

1 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
 2 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
 3 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), ^(3wm)(3y),
 4 (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (5p), (6), (6e), (8r), (9e), (9m), and (9r),
 5 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), ^(3wm)and (3y), 71.47 (1dx), (1dy), (2m), (3), (3n),
 6 (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other
 7 states under s. 71.07 (7), is less than the tax under this section, there is imposed on
 8 that natural person, married couple filing jointly, trust or estate, instead of the tax
 9 under s. 71.02, an alternative minimum tax computed as follows:

10 **SECTION 4.** 71.10 (4) (i) of the statutes is amended to read:

11 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
 12 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
 13 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
 14 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
 15 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
 16 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
 17 71.07 (3rm), food processing plant and food warehouse investment credit under s.
 18 71.07 (3rn), business development credit under s. 71.07 (3y), film production services
 19 credit under s. 71.07 (5f), film production company investment credit under s. 71.07
 20 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e),
 21 enterprise zone jobs credit under s. 71.07 (3w), property tax increase offset credit
 22 under s. 71.07 (5p), beginning farmer and farm asset owner tax credit under s. 71.07
 23 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments under s.
 24 71.09, and taxes withheld under subch. X.

25 **SECTION 5. Initial applicability.**

**2017-2018 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4216/P2ins
MES:ahe

INS 2-8

2. "Family income" means the federal adjusted gross income of the claimant and his or her spouse in the year to which the claim relates.

3. "Poverty level" means 2.5 times the poverty level determined in accordance with criteria established by the director of the federal office of management and budget.

**2017-2018 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-4216/P2ins
MES:ahc

INS 4-10

SECTION 1. 71.10 (4) (i) of the statutes, as affected by 2017 Wisconsin Acts 58 and 59, is amended to read:

71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s. 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s. 71.07 (3rm), food processing plant and food warehouse investment credit under s. 71.07 (3rn), business development credit under s. 71.07 (3y), research credit under s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f), film production company investment credit under s. 71.07 (5h), veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), property tax increase offset credit under s. 71.07 (5p), electronics and information technology manufacturing zone credit under s. 71.07 (3wm), beginning farmer and farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch. X.

NOTE: Par. (i) is shown as affected by 2017 Wis. Acts 58 and 59 and as merged by the legislative reference bureau under s. 13.92 (2) (i).
History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97; 2009 a. 2, 28, 89, 265, 269, 295, 332; 2011 a. 32, 76, 169, 212, 222, 232; 2011 a. 260 ss. 25, 80; 2013 a. 20, 62, 145; 2013 a. 165 s. 114; 2015 a. 55, 197, 218; 2017 a. 58, 59; s. 13.92 (2) (i).

Shovers, Marc

From: Flury, Kelley
Sent: Monday, January 08, 2018 4:21 PM
To: Shovers, Marc
Subject: LRB-4216/P2, income tax credit for personal property taxes paid

Hi Marc,

Will you please make this a regular bill, no longer a preliminary draft

Kelley Flury
Office of Rep. Don Vruwink



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-4216/P2
MES:ahc

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

NO
changes

TUES.

repeal

- 1 AN ACT *to amend* 71.08 (1) (intro.) and 71.10 (4) (i); and *to create* 20.835 (2) (cb)
2 and 71.07 (5p) of the statutes; **relating to:** creating an individual income tax
3 credit for certain property tax increases and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a refundable individual income tax credit for claimants who are at least 70 and one-half years old and whose federal adjusted gross income is no more than 2.5 times the federal poverty level in the year to which the claim relates. The credit amount is calculated as the difference between the claimant's school district portion of the property tax assessment on his or her principal dwelling in the year to which the claim relates, and the claimant's school district portion of the property tax assessment on that same dwelling in the previous year. To be able to claim the credit, the claimant must have paid the property taxes that are the basis of the calculation.

Because the credit is refundable, if the amount of the claim exceeds the claimant's tax liability, the excess amount is refunded to the claimant by check. The credit may not be claimed by part-year and nonresidents of this state. Under the bill, no credit may be claimed for any increase in property taxes due to improvements the claimant makes to the principal dwelling.

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.** 20.835 (2) (cb) of the statutes is created to read:

2 20.835 (2) (cb) *Property tax increase offset tax credit.* A sum sufficient to pay
3 the claims approved under s. 71.07 (5p).

4 **SECTION 2.** 71.07 (5p) of the statutes is created to read:

5 **71.07 (5p) PROPERTY TAX INCREASE OFFSET TAX CREDIT.** (a) *Definitions.* In this
6 subsection:

7 1. "Claimant" means an individual, or an individual and his or her spouse, who
8 files a claim under this subsection.

9 2. "Family income" means the federal adjusted gross income of the claimant
10 and his or her spouse in the year to which the claim relates.

11 3. "Poverty level" means 2.5 times the poverty level determined in accordance
12 with criteria established by the director of the federal office of management and
13 budget.

14 4. "Principal dwelling" means any dwelling that is owned and the land
15 surrounding it that is reasonably necessary for use of the dwelling as a primary
16 dwelling of the claimant and may include a part of a multidwelling or multipurpose
17 building and a part of the land upon which it is built that is used as the claimant's
18 primary dwelling.

19 5. "Property taxes" has the meaning given in sub. (9) (a) 3.

20 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
21 claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 the

1 difference between the school district portion of the amount of property taxes the
2 claimant is assessed in the taxable year to which the claim relates on the claimant's
3 principal dwelling and the school district portion of the property taxes the claimant
4 is assessed in the taxable year immediately before the year to which the claim relates
5 on the claimant's principal dwelling, provided the principal dwellings are the same
6 for each taxable year. If the difference between the 2 amounts is positive and if the
7 allowable amount of the claim exceeds the income taxes otherwise due on the
8 claimant's income, the amount of the claim not used as an offset against those taxes
9 shall be certified by the department of revenue to the department of administration
10 for payment to the claimant by check, share draft, or other draft drawn from the
11 appropriation account under s. 20.835 (2) (cb).

12 (c) *Limitations.* 1. No claim may be allowed under this subsection if the
13 claimant has not paid the property taxes on the principal dwelling for the years
14 described in par. (b).

15 2. No credit may be claimed under this subsection for any amount of property
16 taxes related to reassessment of the claimant's principal dwelling that is due to
17 improvements made to the property.

18 3. No claim may be filed under this subsection unless the claimant has reached
19 the age of 70.5 years in the year to which the claim relates, except that if the claimant
20 is married and filing jointly, at least one of the spouses must have reached the age
21 of 70.5 years in the year to which the claim relates.

22 4. No claim may be filed under this subsection if the claimant's family income
23 exceeds the poverty level in the year to which the claim relates.

24 5. No credit may be allowed under this subsection unless it is claimed within
25 the period specified under s. 71.75 (2).

1 6. No credit may be claimed under this subsection by nonresidents or part-year
2 residents of this state.

3 (d) *Administration.* Subsection (9e) (d), as it applies to the credit under that
4 subsection, applies to the credit under this subsection.

5 **SECTION 3.** 71.08 (1) (intro.) of the statutes, as affected by 2017 Wisconsin Act
6 58, is amended to read:

7 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
8 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
9 ss. 71.07 (1), (2dx), (2dy), (3m), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w),
10 (3wm), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (5p), (6), (6e), (8r), (9e), (9m),
11 and (9r), 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), (3wm), and (3y), 71.47 (1dx),
12 (1dy), (2m), (3), (3n), (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII
13 and payments to other states under s. 71.07 (7), is less than the tax under this
14 section, there is imposed on that natural person, married couple filing jointly, trust
15 or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
16 as follows:

17 **SECTION 4.** 71.10 (4) (i) of the statutes, as affected by 2017 Wisconsin Acts 58
18 and 59, is amended to read:

19 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
20 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
21 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
22 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
23 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
24 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
25 71.07 (3rm), food processing plant and food warehouse investment credit under s.

1 71.07 (3rn), business development credit under s. 71.07 (3y), research credit under
2 s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f), film
3 production company investment credit under s. 71.07 (5h), veterans and surviving
4 spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s.
5 71.07 (3w), property tax increase offset credit under s. 71.07 (5p), electronics and
6 information technology manufacturing zone credit under s. 71.07 (3wm), beginning
7 farmer and farm asset owner tax credit under s. 71.07 (8r), earned income tax credit
8 under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under
9 subch. X.

10 **SECTION 5. Initial applicability.**

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

15 (END)

Walker, Dan

From: Flury, Kelley
Sent: Friday, January 12, 2018 10:22 AM
To: LRB.Legal
Subject: Draft Review: LRB -4216/1

Please Jacket LRB -4216/1 for the ASSEMBLY.