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LRB  
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## MEMORANDUM

DATE February 6, 2018

SUBJECT Technical memorandum to **2017 AB 892 (LRB-4216/1)** by **DOR**

TO Representative Vruwink

FROM Marc Shovers, Senior Legislative Attorney, (608) 266-0129

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

February 2, 2018

**TO:** Marc Shovers  
Legislative Reference Bureau

**FROM:** Bob Schmidt  
Department of Revenue

**SUBJECT:** Technical Memorandum on Assembly Bill 892: Relating to Creating an Individual Income Tax Credit for Certain Property Tax Increases and Making an Appropriation

The Department has the following concerns related to the bill:

Under s. 71.07(5p)(a)1., a "claimant" is defined as an individual and his or her spouse who files a claim under this subsection. If a couple uses the married filing separately filing status, only one spouse would be able to take the credit.

DOR recommends amending the language as follows:

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

Under s. 71.07(5p)(a)2., "family income" is defined as the federal adjusted gross income of the claimant and his or her spouse. If the claimant and his or her spouse use the married filing separate filing status and are not living together, both incomes would be totaled to figure their credit.

DOR recommends amending the language as follows:

2. "Family income" means the federal adjusted gross income of the claimant and his or her spouse, if residing in the same homestead, as defined in s. 71.52 (3), in the year to which the claim relates.

Under s. 71.07(5p)(a)5., it is not clear whether renters who pay property taxes in lieu of rent would be eligible to claim the credit.

Under s. 71.07(5p)(c)2., the department would not have information to verify if a reassessment is due to an improvement on the property versus an increase in value on the property.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or [bradley.caruth@revenue.wi.gov](mailto:bradley.caruth@revenue.wi.gov).

cc: Representative Vruwink