



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2017 Wisconsin Act 270
[January 2018 Special Session
Assembly Bill 5]

**Pilot Program for Periodic
Payment of Federal
Earned Income Tax Credit**

2017 Wisconsin Act 270 creates a pilot program for the 2019 and 2020 tax years to test a monthly payment of the federal earned income tax credit, to become permanent for the 2021 tax year. Both the pilot and permanent programs are contingent upon agreement by the Internal Revenue Service (IRS).

The pilot program requires the Department of Revenue (DOR) and the IRS to randomly select 100 individuals or married couples who are likely to be eligible for at least \$600 of the credit for each year. A control group of 100 claimants must also be selected for a financial stability comparison.

The IRS would forward the total amount of the test group's likely payments to DOR at the beginning of the taxable year. Each month, DOR would disperse 1/11th of two-thirds of each claimant's expected credit. The credit would not be paid in the month following the month in which a claimant's credit is received on a filed tax return.

Effective date: April 12, 2018

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.