

2019 DRAFTING REQUEST

Bill

For: **Administration-Budget** Drafter: **jkreye**
 By: **Quinn** Secondary Drafters:
 Date: **1/2/2019** May Contact:

Same as LRB:

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

Pre Topic:

DOA:.....Quinn, BB0166 -

Topic:

Modify automatic individual income tax rate reductions

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 2/15/2019	aernstr 1/3/2019	mbarman 1/3/2019		State
/P2	jkreye 2/22/2019	anienaja 2/22/2019	chanaman 2/17/2019		State
/P3			dwalker 2/22/2019		State

FE Sent For: **<END>**



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1174/P1

JK:..
abe

DOA:.....Quinn, BB0166 - Repeal automatic individual income tax rate reductions

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

sa✓

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

This bill eliminates the requirement that individual income tax rates for the taxable year ending on December 31, 2019, be decreased in proportion to the increase in sales and use tax collections from October 1, 2018, to September 30, 2019, due to the expansion of the state's authority to collect sales and use taxes from out-of-state retailers, pursuant to the U.S. Supreme Court decision, *South Dakota v. Wayfair, Inc.*, 585 U.S. ___ (2018). ✓

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:

2 ~~X~~ SECTION 1. 73.03 (71) of the statutes is repealed.

3 (END)

Kreye, Joseph

From: Quinn, Brian D - DOA
Sent: Friday, February 15, 2019 2:01 PM
To: Kreye, Joseph; Shovers, Marc
Subject: RE: Automatic Rate Reduction Draft - 1174/P1

Circling back around on this one, was this instruction relatively clear? I sent it later in the evening and sometimes my ability to explain myself diminishes drastically as the day goes on.

From: Quinn, Brian D - DOA
Sent: Wednesday, February 13, 2019 8:53 PM
To: Kreye, Joseph A - LEGIS <joseph.kreye@legis.wisconsin.gov>; Shovers, Marc - LEGIS <marc.shovers@legis.wisconsin.gov>
Subject: Automatic Rate Reduction Draft - 1174/P1

Joe and Marc,

On this one, there has been a change in direction to have the automatic rate cuts occur, but, instead of apportioning the rate cut across the brackets based on the amount of taxes raised from each bracket, apply the entirety of the rate reduction to the lowest bracket.

I figured I would copy both of you since that might bleed across topic areas.

Let me know if you have any questions.

-Brian Q.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1174/P1
JK:ahe

Modify

DOA:.....Quinn, BB0166 - Repeal automatic individual income tax rate reductions

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

in En
2-15

no gen

The bill uses the increase in sales and use tax revenue to decrease the rate of the lowest tax bracket rather than the rate of all tax brackets.

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

sub:aml

Lowest bracket rate reduction

Analysis by the Legislative Reference Bureau

modifier

TAXATION

INCOME TAXATION

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2

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3

(END)

Lowest 1-2

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1174/P2ins
JK:ahe

50 ✓

Insert 1 - 2

1 ♂ **SECTION 1.** 73.03 (71) (b) of the statutes is amended to read:

2 73.03 (71) (b) After the department makes the determination under par. (a),
3 the department shall determine how much the lowest individual income tax rates
4 under s. 71.06 may be reduced for the taxable year ending on December 31, 2019, in
5 order to decrease individual income tax revenue by the amount determined under
6 par. (a). For purposes of this paragraph, the tax rate reductions shall be calculated
7 in proportion to the share of gross tax attributable to each of the lowest tax brackets
8 under s. 71.06 in effect during the most recently completed taxable year.

History: 1971 c. 40, 215; 1973 c. 90; 1975 c. 39; 1977 c. 143; 1977 c. 196 s. 130 (7); 1977 c. 313; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 350; 1981 c. 20; 1981 c. 79 s. 18; 1983 a. 275 s. 15 (4); 1983 a. 524; 1983 a. 538 s. 269 (3); 1985 a. 12, 29, 273; 1987 a. 4, 27, 186; 1987 a. 312 s. 17; 1987 a. 328, 378, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 74, 335; 1991 a. 39, 219, 313, 316; 1993 a. 16, 112, 205, 490; 1995 a. 27 ss. 3434g to 3440m, 9145 (1); 1995 a. 209, 233; 1997 a. 27, 35, 191, 237, 252; 1999 a. 9, 31, 185; 2001 a. 16, 44, 104, 107, 109; 2003 a. 33, 127; 2005 a. 25, 259; 2007 a. 20, 86; 2009 a. 2, 28, 180, 401; 2011 a. 10, 32, 257; 2013 a. 20, 54; 2015 a. 55, 216, 254, 295; 2017 a. 59, 270, 324, 358, 368.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1174/P2

JK:ahet
P3
am

DOA:.....Quinn, BB0166 - Modify automatic individual income tax rate reductions

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

1. *Lowest bracket rate reduction*

This bill modifies the requirement that individual income tax rates for the taxable year ending on December 31, 2019, be decreased in proportion to the increase in sales and use tax collections from October 1, 2018, to September 30, 2019, due to the expansion of the state's authority to collect sales and use taxes from out-of-state retailers, pursuant to the U.S. Supreme Court decision, *South Dakota v. Wayfair, Inc.*, 585 U.S. ___ (2018). The bill uses the increase in sales and use tax revenue to decrease the rate of the lowest tax bracket rather than the rate of all tax brackets.

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(1)(a) and (2)(i) l. and (j) l.

rate

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5 par. (a). ~~For purposes of this paragraph, the tax rate reductions shall be calculated~~
6 ~~in proportion to the share of gross tax attributable to each of the lowest tax brackets~~
7 ~~under s. 71.06 in effect during the most recently completed taxable year.~~

8

(END)



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1174/P3
JK:ah&amn

DOA:.....Quinn, BB0166 - Modify automatic individual income tax rate reductions

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