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# Wisconsin Legislative Council

## AMENDMENT MEMO

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**2021 Assembly Bill 327**

**Assembly  
Amendment 1**

### **2021 ASSEMBLY BILL 327**

Assembly Bill 327 increases the maximum amount that an individual may claim as a net capital loss offset against ordinary income from \$500 to \$3,000 (\$1,500 for married individuals who file separately) for the purposes of Wisconsin income tax. This would result in the Wisconsin maximum net capital loss offset matching the amounts permitted under federal income tax law.

### **ASSEMBLY AMENDMENT 1**

Assembly Amendment 1 to Assembly Bill 327 clarifies that the \$500 limit under current law would apply for taxable years **beginning** before January 1, 2023, rather than for taxable years **ending** before January 1, 2023. Thus, the \$3,000 maximum will first apply to tax year 2023.

Assembly Amendment 1 also extends the increased maximum net capital loss offset to tax option corporations (S corporations) who elect to pay franchise or income tax at the entity level under s. 71.365 (4m), Stats.

### **BILL HISTORY**

On November 9, 2021, the Assembly Committee on Ways and Means recommended adoption of Assembly Amendment 1 by a vote of Ayes, 13; Noes, 0; and recommended passage of Assembly Bill 327, as amended, by a vote of Ayes 12, Noes, 1. On February 9, 2022, the Joint Committee on Finance recommended adoption of the amendment and passage of the bill, as amended, on votes of Ayes, 15; Noes, 0.

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