AN ACT to amend 71.07 (9) (b) 5.; and to create 71.07 (9) (be) and 71.07 (9) (g)
of the statutes; relating to: increasing the school property tax credit due to virtual instruction during the 2021–22 school year.

Analysis by the Legislative Reference Bureau

This bill increases the school property tax credit for residents of school districts that are closed to in-person instruction for more than 10 days of instruction during the second half of the 2021–22 school year. For taxable year 2022, the credit is increased by an amount equal to the claimant’s property taxes or rent constituting property taxes attributable to the period from January 1, 2022, to July 1, 2022, multiplied by the ratio of days during the period that public schools in the school district in which the claimant resides were closed to in-person instruction to the total days of instruction. The maximum increase in the credit is limited to 10 percent of the claimant’s property taxes or rent constituting property taxes attributable to the period from January 1, 2022, to July 1, 2022, which is increased to 25 percent if the claimant’s dependent attends school in the school district. The bill’s provision allowing an increased credit does not apply if the claimant’s adjusted gross income exceeds $80,000, or $150,000 in the case of a married couple filing a joint return.

Under the bill, school districts must disclose to the Department of Revenue the information about school days needed to calculate the increased credit, and DOR must publicly disclose that information on its Internet site.
For further information see the state and local 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:

SECTION 1. 71.07 (9) (b) 5. of the statutes is amended to read:

71.07 (9) (b) 5. For Except as provided in par. (be), for taxable years beginning after December 31, 1999, subject to the limitations under this subsection a claimant may claim as a credit against, but not to exceed the amount of, taxes under s. 71.02, 12 percent of the first $2,500 of property taxes or rent constituting property taxes, or 12 percent of the first $1,250 of property taxes or rent constituting property taxes of a married person filing separately.

SECTION 2. 71.07 (9) (be) of the statutes is created to read:

71.07 (9) (be) 1. For taxable years beginning after December 31, 2021, and before January 1, 2023, and subject to the limitations in subds. 2. to 5., the amount of the credit under par. (b) 5. shall be increased by an amount determined as follows:

a. Determine the average number of days for the period beginning on January 1, 2022, and ending on July 1, 2022, that elementary and secondary public schools in the school district in which the claimant resided in his or her principal dwelling during the same period were closed to in-person instruction.

b. Divide the amount determined under subd. 1. a. by the total number of days of instruction for the period beginning on January 1, 2022, and ending on July 1, 2022.

c. Multiply the amount determined under subd. 1. b. by the amount of the claimant’s property taxes, or rent constituting property taxes, attributable to the period beginning on January 1, 2022, and ending on July 1, 2022.
2. Except as provided in subd. 3., the amount determined under subd. 1. may not exceed 10 percent of the claimant’s property taxes, or rent constituting property taxes, attributable to the period beginning on January 1, 2022, and ending on July 1, 2022.

3. If a dependent, as defined in section 152 of the Internal Revenue Code, of the claimant attended school in the school district described in subd. 1. a. during the period beginning on January 1, 2022, and ending on July 1, 2022, the amount determined under subd. 1. may not exceed 25 percent of the claimant’s property taxes, or rent constituting property taxes, attributable to the period beginning on January 1, 2022, and ending on July 1, 2022.

4. This paragraph does not apply unless the number of days determined under subd. 1. a. exceeds 10 days of instruction for the period beginning on January 1, 2022, and ending on July 1, 2022.

5. This paragraph does not apply if the adjusted gross income of the claimant exceeds $80,000 or, in the case of a married couple filing a joint return, the adjusted gross income of the claimant’s and the claimant’s spouse exceeds $150,000.

**SECTION 3.** 71.07 (9) (g) of the statutes is created to read:

71.07 (9) (g) Each school district in the state shall provide to the department, by the date determined by the department, the number of days described in par. (be) 1. a. and b. The department shall disclose the information on the department’s Internet site.

**SECTION 4. Initial applicability.**

(1) The treatment of s. 71.07 (9) (b) 5. and (be) first applies to taxable years beginning after December 31, 2021.

(END)