

**CHAPTER 111, Laws of 1977**

AN ACT to amend 71.02 (2) (gp)1 and 71.10 (2) (a) 4; and to create 71.02 (2) (gq) and 71.10 (2) (a) 5 of the statutes, relating to the standard deduction and filing requirements under the personal income tax.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 71.02 (2) (gp) 1 of the statutes is amended to read:

71.02 (2) (gp) 1. With respect to taxable years ~~beginning after December 31, 1972~~ 1973 to 1976, except as otherwise provided, the Wisconsin standard deduction is the larger of the percentage standard deduction or the low-income allowance as provided in this paragraph.

SECTION 2. 71.02 (2) (gq) of the statutes is created to read:

71.02 (2) (gq) 1. For the taxable year 1977 and thereafter, except as otherwise provided, the Wisconsin standard deduction is the larger of the percentage standard deduction or the low-income allowance as provided in this paragraph.

2. The percentage standard deduction shall be an amount equal to 15% of Wisconsin adjusted gross income but not to exceed \$2,000 for an unmarried individual or \$2,000 in the aggregate for a husband and wife, unless otherwise provided in this paragraph.

3. The low-income allowance shall be the total of the amount determined under one of the following tables plus the amount determined under subd. 4:

a. With respect to unmarried persons under 65 years of age: [See Figure 71.02 (2) (gq) 3. a following]

**Figure: 71.02 (2) (gq) 3. a**

<u>If Wisconsin adjusted gross income is</u>		<u>Low-income allowance is</u>
<u>At least</u>	<u>But less than</u>	
\$ 0	\$ 3,200	\$ 2,600
3,200	3,300	2,500
3,300	3,400	2,200
3,400	3,500	1,900
3,500	3,600	1,550
3,600 or over		1,300

b. For unmarried persons 65 years of age or over: [See Figure 71.02 (2) (gq) 3. b following]

**Figure: 71.02 (2) (gq) 3. b**

<u>If Wisconsin adjusted gross income is</u>		<u>Low-income allowance is</u>
<u>At least</u>	<u>But less than</u>	
\$ 0	\$ 4,200	\$ 3,450
4,200	4,300	3,350
4,300	4,400	3,000
4,400	4,500	2,650
4,500	4,600	2,350
4,600	4,700	2,050
4,700	4,800	1,700
4,800	4,900	1,500
4,900 or over		1,300

c. For married persons if both are under 65 years of age: [See Figure 71.02 (2) (gq) 3. c following]

**Figure: 71.02 (2) (gq) 3. c**

<u>If the combined total Wisconsin ad-justed gross income of both spouses is</u>		<u>Low-income allowance of both spouses combined is</u>
<u>At least</u>	<u>But less than</u>	
\$ 0	\$ 5,200	\$ 4,000
5,200	5,300	3,900
5,300	5,400	3,600
5,400	5,500	3,300
5,500	5,600	3,000
5,600	5,700	2,750
5,700	5,800	2,500
5,800	5,900	2,300
5,900	6,000	2,100
6,000	6,100	1,900
6,100	6,200	1,700
6,200	6,300	1,550
6,300	6,400	1,350
6,400 or over		1,300

d. For married persons if one spouse is under 65 years of age and the other spouse is 65 years of age or over: [See Figure 71.02 (2) (gq) 3. d following]

**Figure: 71.02 (2) (gq) 3. d**

<u>If the combined total Wisconsin ad-justed gross income of both spouses is</u>		<u>Low-income allowance of both spouses combined is</u>
<u>At least</u>	<u>But less than</u>	
\$ 0	\$ 6,200	\$ 4,800
6,200	6,300	4,750
6,300	6,400	4,450
6,400	6,500	4,150
6,500	6,600	3,850
6,600	6,700	3,600
6,700	6,800	3,350
6,800	6,900	3,150
6,900	7,000	2,950
7,000	7,100	2,800
7,100	7,200	2,600
7,200	7,300	2,450
7,300	7,400	2,250
7,400	7,500	2,100
7,500	7,600	1,950
7,600	7,700	1,750
7,700	7,800	1,600
7,800	7,900	1,450
7,900 or over		1,300

e. For married persons if both spouses are 65 years of age or over: [See Figure 71.02 (2) (gq) 3. e following]

**Figure: 71.02 (2) (gq) 3. e**

<u>If the combined total Wisconsin ad-justed gross income of both spouses is</u>		<u>Low-income allowance of both spouses combined is</u>
<u>At least</u>	<u>But less than</u>	
\$ 0	\$ 7,200	\$ 5,700
7,200	7,300	5,600
7,300	7,400	5,300
7,400	7,500	4,950
7,500	7,600	4,650
7,600	7,700	4,450
7,700	7,800	4,200
7,800	7,900	4,050
7,900	8,000	3,850
8,000	8,100	3,650
8,100	8,200	3,450
8,200	8,300	3,300
8,300	8,400	3,100
8,400	8,500	2,950
8,500	8,600	2,800
8,600	8,700	2,600
8,700	8,800	2,450
8,800	8,900	2,300
8,900	9,000	2,150

9,000	9,100	2,000
9,100	9,200	1,900
9,200	9,300	1,800
9,300	9,400	1,700
9,400	9,500	1,550
9,500 or over		1,450

4. a. The following amounts shall be added to the standard deduction and shall be utilized in determining the low-income allowance under subds. 2 and 3: if Wisconsin adjusted gross income is less than \$5,000, add \$800 for each dependent; if Wisconsin adjusted gross income is at least \$5,000 but less than \$6,000, add \$700 for each dependent; if Wisconsin adjusted gross income is at least \$6,000 but less than \$7,000, add \$600 for each dependent; if Wisconsin adjusted gross income is at least \$7,000 but less than \$8,000, add \$500 for each dependent; if Wisconsin adjusted gross income is at least \$8,000 but less than \$9,000, add \$400 for each dependent; if Wisconsin adjusted gross income is at least \$9,000 but less than \$10,000, add \$300 for each dependent; if Wisconsin adjusted gross income is at least \$10,000 but less than \$11,000, add \$200 for each dependent; and if Wisconsin adjusted gross income is at least \$11,000 but less than \$12,000, add \$100 for each dependent. No amount may be added to the standard deduction or low-income allowance for dependents if Wisconsin adjusted gross income is \$12,000 or more.

b. In this subdivision, for married persons Wisconsin adjusted gross income is the combined total Wisconsin adjusted gross incomes of both spouses. In this subdivision, "dependent" means each person for whom the taxpayer is entitled to an exemption for the taxable year under section 151 (e) of the federal internal revenue code.

5. For a fiscal year taxpayer, any increase in the standard deduction, including the low-income allowance, over the standard deduction permissible in the previous calendar year must be prorated by taking into account the number of days of the taxpayer's fiscal year falling into each calendar year.

6. In the case of a taxpayer with respect to whom a deduction under s. 71.09 (6p) is allowable to another person for the taxable year, the percentage standard deduction shall be computed only with reference to so much of the taxpayer's adjusted gross income as is attributable to the taxpayer's earned income, as defined in section 911 (b) of the internal revenue code as of December 31, 1976, and the low-income allowance shall not exceed the taxpayer's earned income for the taxable year.

7. With respect to nonresident natural persons deriving income from property located, business transacted or personal or professional services performed in this state, including natural persons changing their domicile into or from this state, for the taxable year 1977 and thereafter, the low-income allowance authorized under this paragraph is limited by such fraction of that amount as Wisconsin adjusted gross income is of federal adjusted gross income for unmarried persons, and as combined Wisconsin adjusted gross income is of combined or joint federal adjusted gross income for married persons.

SECTION 3. 71.10 (2) (a) 4 of the statutes is amended to read:

71.10 (2) (a) 4. ~~Annually, commencing with~~ For the 1974, 1975 and 1976 calendar year years or corresponding fiscal year years, every person having a gross income of \$1,950 or more if under 65 years of age, or if 65 years of age or over \$2,150 or more, and every married person receiving any gross income during the year when the combined gross income of such married persons is: ~~a)~~ \$2,600 or more if both are under 65 years of age; ~~b)~~ \$2,750 or more if one spouse is under 65 years of age and the other spouse is 65 years of age or over; or ~~c)~~ \$2,900 or more, if both are 65 years of age or over.

SECTION 4. 71.10 (2) (a) 5 of the statutes is created to read:

71.10 (2) (a) 5. For the 1977 calendar year or corresponding fiscal year and thereafter:

a. Every natural person domiciled in this state during the entire taxable year having gross income of \$3,200 or more if under 65 years of age, or \$4,200 or more if 65 years

of age or over, and every married person domiciled in this state during the entire taxable year having gross income during the year when the combined gross income of the married person and his or her spouse is \$5,200 or more if both are under 65 years of age; \$6,200 or more if one spouse is under 65 years of age and the other spouse is 65 years of age or over; or \$7,200 or more if both are 65 years of age or over.

b. Every nonresident person and every person who changes domicile into or out of this state during the taxable year shall file a return if the person is unmarried and has gross income of \$2,000 or more, or if the person is married and the combined gross income of the person and his or her spouse is \$2,000 or more.

c. Except as provided in par. (c) and s. 71.11 (3), persons having gross income less than the amounts stated in this subdivision shall not be required to file an income tax return.

---