



**SENATE SUBSTITUTE AMENDMENT 1,
TO 1995 ASSEMBLY BILL 78**

March 26, 1996 – Offered by Senator DECKER.

1 **AN ACT to create** 71.05 (6) (b) 22., 71.05 (6) (b) 23. and 71.05 (6) (b) 24. of the
2 statutes; **relating to:** creating a tax exemption for certain adoption expenses.

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

3 **SECTION 1.** 71.05 (6) (b) 22. of the statutes is created to read:

4 71.05 (6) (b) 22. For married persons that file a joint income tax return and
5 whose federal adjusted gross income in the year to which the claim relates is \$20,000
6 or less, for taxable years beginning after December 31, 1995, an amount up to \$5,000
7 that is expended during the period that consists of the year to which the claim relates
8 and the prior 2 taxable years, by full-year residents of this state who are adoptive
9 parents, for adoption fees, court costs or legal fees relating to the adoption of a child,
10 for whom a final order of adoption has been entered under s. 48.91 (3) during the
11 taxable year. If married persons to whom this subdivision would otherwise apply
12 have federal adjusted gross income in excess of \$20,000 in the year to which the claim
13 relates, the married persons may make a claim under this subdivision, except that

1 the maximum amount of the claim for which the married persons are eligible shall
2 be calculated as follows:

- 3 a. Subtract \$20,000 from the married persons' federal adjusted gross income.
- 4 b. Multiply the amount determined under subd. 22. a. by 0.14286.
- 5 c. Subtract the amount determined under subd. 22. b. from \$5,000.

6 **SECTION 2.** 71.05 (6) (b) 23. of the statutes is created to read:

7 71.05 (6) (b) 23. For a married person that files a separate income tax return
8 and whose federal adjusted gross income in the year to which the claim relates is
9 \$10,000 or less, for taxable years beginning after December 31, 1995, an amount up
10 to \$2,500 that is expended during the period that consists of the year to which the
11 claim relates and the prior 2 taxable years, by a full-year resident of this state who
12 is an adoptive parent, for adoption fees, court costs or legal fees relating to the
13 adoption of a child, for whom a final order of adoption has been entered under s. 48.91
14 (3) during the taxable year. If a married person to whom this subdivision would
15 otherwise apply has federal adjusted gross income in excess of \$10,000 in the year
16 to which the claim relates, the person may make a claim under this subdivision,
17 except that the maximum amount of the claim for which the person is eligible shall
18 be calculated as follows:

- 19 a. Subtract \$10,000 from the person's federal adjusted gross income.
- 20 b. Multiply the amount determined under subd. 23. a. by 0.15489.
- 21 c. Subtract the amount determined under subd. 23. b. from \$2,500.

22 **SECTION 3.** 71.05 (6) (b) 24. of the statutes is created to read:

23 71.05 (6) (b) 24. For a single person whose federal adjusted gross income in the
24 year to which the claim relates is \$15,000 or less, for taxable years beginning after
25 December 31, 1995, an amount up to \$5,000 that is expended during the period that

1 consists of the year to which the claim relates and the prior 2 taxable years, by a
2 full-year resident of this state who is an adoptive parent, for adoption fees, court
3 costs or legal fees relating to the adoption of a child, for whom a final order of adoption
4 has been entered under s. 48.91 (3) during the taxable year. If a single person to
5 whom this subdivision would otherwise apply has federal adjusted gross income in
6 excess of \$15,000 in the year to which the claim relates, the person may make a claim
7 under this subdivision, except that the maximum amount of the claim for which the
8 person is eligible shall be calculated as follows:

9 a. Subtract \$15,000 from the person's federal adjusted gross income.

10 b. Multiply the amount determined under subd. 24. a. by 0.13955.

11 c. Subtract the amount determined under subd. 24. b. from \$5,000.

12 (END)