



State of Wisconsin
1997 - 1998 LEGISLATURE

LRBs0203/2
MES:kaf:arm

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1997 ASSEMBLY BILL 252**

June 12, 1997 - Offered by Representatives F. LASEE and SCHAFER.

1 **AN ACT to amend** 71.07 (6) (a) and 71.07 (6) (b); and **to create** 71.07 (6) (am) of
2 the statutes; **relating to:** revising the married persons tax credit.

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

3 **SECTION 1.** 71.07 (6) (a) of the statutes is amended to read:

4 71.07 (6) (a) Married For taxable years beginning before January 1, 1997,
5 married persons filing a joint return, except those who reduce their gross income
6 under section 911 or 931 of the internal revenue code, may claim as a credit against,
7 but not to exceed the amount of, Wisconsin net income taxes otherwise due an
8 amount equal to 2% of the earned income of the spouse with the lower earned income,
9 but not more than \$300. In this ~~paragraph~~ subsection, "earned income" means
10 qualified earned income, as defined in section 221 (b) of the internal revenue code as
11 amended to December 31, 1985, plus employe business expenses under section 62 (2)
12 (B) to (D) of that code, allocable to Wisconsin under s. 71.04, plus amounts received

1 by the individual for services performed in the employ of the individual's spouse
2 minus the amount of disability income excluded under s. 71.05 (6) (b) 4. and minus
3 any other amount not subject to tax under this chapter. Earned income under this
4 subsection is computed notwithstanding the fact that each spouse owns an undivided
5 one-half interest in the whole of the marital property. A marital property agreement
6 or unilateral statement under ch. 766 transferring income between spouses has no
7 effect in computing earned income under this ~~paragraph~~ subsection.

8 **SECTION 2.** 71.07 (6) (am) of the statutes is created to read:

9 71.07 (6) (am) Married persons filing a joint return, except those who reduce
10 their gross income under section 911 or 931 of the Internal Revenue Code, may claim
11 as a credit against the tax imposed under s. 71.02, up to the amount of those taxes,
12 an amount equal to one of the following:

13 1. For taxable years beginning after December 31, 1996, and before January
14 1, 1998, 2.25% of the earned income of the spouse with the lower earned income, but
15 not more than \$315.

16 2. For taxable years beginning after December 31, 1997, and before January
17 1, 1999, 2.5% of the earned income of the spouse with the lower earned income, but
18 not more than \$350.

19 3. For taxable years beginning after December 31, 1998, and before January
20 1, 2000, 2.75% of the earned income of the spouse with the lower earned income, but
21 not more than \$385.

22 4. For taxable years beginning after December 31, 1999, 3% of the earned
23 income of the spouse with the lower earned income, but not more than \$420.

24 **SECTION 3.** 71.07 (6) (b) of the statutes is amended to read:

