



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0078/1
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**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 78**

April 12, 2005 – Offered by Representative MUSSER.

1 **AN ACT to create** 71.05 (6) (b) 35. and 71.07 (6m) (c) 5. of the statutes; **relating**
2 **to:** creating an individual income tax exemption for military income received
3 by certain members of the U.S. armed forces and sunsetting the armed forces
4 member tax credit.

Analysis by the Legislative Reference Bureau

For taxable years beginning after December 31, 2004, this substitute amendment exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. armed forces and who is either stationed outside this state or who is serving in this state on certain specified tasks.

Under current law, the armed forces member tax credit allows an active duty member of the U.S. armed forces to claim a nonrefundable individual income tax credit of up to \$200 in military income received each year from the federal government for services performed while the claimant is stationed outside of the United States. Because the credit is nonrefundable, no amount will be paid to the claimant by check if the credit he or she is due exceeds his or her tax liability.

