



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0549/P1
EKL:kjf

DOA:.....Quinn, BB0142 - Veterans and surviving spouses property tax credit for renters

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Veterans and surviving spouses property tax credit

Under current law, an eligible veteran or surviving spouse may claim a refundable income tax credit that equals the amount of property taxes paid during the year on his or her principal dwelling in Wisconsin. Current law does not expressly address the treatment of renters. DOR allows an eligible veteran or surviving spouse who is a renter to claim the credit if he or she is required to pay the property taxes under a written agreement with the landlord and pays the property taxes directly to the municipality.

Under this bill, an eligible veteran or surviving spouse who is a renter may claim the credit in an amount equal to his or her rent constituting property taxes. The bill defines "rent constituting property taxes" to mean 20 percent of the rent paid during the year for the use of a principal dwelling if heat is included in the rent, and 25 percent of the rent if heat is not included.

For further information see the state 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 (6e) (a) 6. of the statutes is created to read:

71.07 (6e) (a) 6. “Rent constituting property taxes” has the meaning given in sub. (9) (a) 4.

SECTION 2. 71.07 (6e) (b) of the statutes is amended to read:

71.07 (6e) (b) *Filing claims.* Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 the amount of the claimant’s property taxes or rent constituting property taxes. If the allowable amount of the claim exceeds the income taxes otherwise due on the claimant’s income, the amount of the claim not used as an offset against those taxes shall be certified by the department of revenue to the department of administration for payment to the claimant by check, share draft, or other draft from the appropriation under s. 20.835 (2) (em).

SECTION 3. 71.07 (6e) (c) 3. of the statutes is amended to read:

71.07 (6e) (c) 3. If an eligible veteran and an eligible spouse file separate returns, each spouse may claim a credit under this subsection for property taxes based on their respective ownership interest in the eligible veteran’s principal dwelling or for rent constituting property taxes based on 50 percent of the total rent constituting property taxes paid during the taxable year for the eligible veteran’s principal dwelling.

SECTION 9337. Initial applicability; Revenue.

(1) VETERANS AND SURVIVING SPOUSES PROPERTY TAX CREDIT. The treatment of s. 71.07 (6e) (a) 6., (b), and (c) 3. first applies to taxable years beginning after December 31, 2020.

(END)