



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-1572/P3
EKL:cjs&skw

DOA:.....Quinn, BB0529 - State active duty income tax subtraction

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Subtraction for active duty pay of national guard members

Under current law, members of a reserve component of the U.S. armed forces who are called into active federal service or special state service under specified sections of the U.S. Code may subtract the military pay they receive from the federal government while on active duty. This bill expands the existing subtraction to include members who are activated under an additional section of the U.S. Code that relates to orders to active duty for preplanned missions in support of the combatant commands. Also under the bill, members of the Wisconsin national guard may, when computing their state income taxes, subtract from income the pay they receive from the state while on active state duty.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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. 71.05 (6) (b) 34. of the statutes is amended to read:

71.05 (6) (b) 34. Any amount of basic, special, and incentive pay income or compensation, as those terms are used in [37 USC chapters 3 and 5](#), received from the federal government by a person who is a member of a reserve component of the U.S. armed forces, after being called into active federal service under the provisions of [10 USC 12302 \(a\)](#) ~~or~~, [10 USC 12304](#), ~~or~~ [10 USC 12304b](#), or into special state service authorized by the federal department of defense under [32 USC 502 \(f\)](#), that is paid to the person for a period of time during which the person is on active duty.

SECTION 2. 71.05 (6) (b) 34m. of the statutes is created to read:

71.05 (6) (b) 34m. For taxable years beginning after December 31, 2020, any amount of pay, as described in s. 321.35, received from this state by a person who is a member of the Wisconsin national guard after being called into state active duty under s. 321.39 that is paid to the person for the period of time during which the person is on state active duty, to the extent that the income is not subtracted under subd. 34.

(END)