



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-0868/P1
KP:emw

DOA:.....Quinn, BB0077 - Child and dependent care tax credit

FOR 2023-2025 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Expanding the child and dependent care tax credit

Under current law, an individual who is eligible to claim the federal child and dependent care tax credit may claim a state income tax credit equal to 50 percent of the amount the individual may claim as a federal income tax credit. This bill allows an individual to claim a state income tax credit equal to the full amount claimed for the federal child and dependent care tax credit.

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 (9g) (b) of the statutes is renumbered 71.07 (9g) (b) 1. and amended to read:

71.07 **(9g)** (b) 1. For taxable years beginning after December 31, 2021, and before January 1, 2023, and subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of those taxes, an amount equal to 50 percent of the federal child and dependent care tax credit claimed by the claimant on his or her federal income tax return for the taxable year to which the claim under this subsection relates.

SECTION 2. 71.07 (9g) (b) 2. of the statutes is created to read:

71.07 **(9g)** (b) 2. For taxable years beginning after December 31, 2022, and subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of those taxes, an amount equal to the federal child and dependent care tax credit claimed by the claimant on his or her federal income tax return for the taxable year to which the claim under this subsection relates.

(END)