



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2005 Wisconsin Act 72
[2005 Senate Bill 347]

**Veterans and Surviving Spouses
Property Tax Credit**

2005 Wisconsin Act 72 amends the veterans and surviving spouses property tax credit [s. 71.07 (6e), Stats.] to enable spouses owning an eligible veteran's principal dwelling jointly or as marital property to claim a property tax credit for the full amount of taxes paid on the principal dwelling.

Background

The veterans and surviving spouses property tax credit, created by 2005 Wisconsin Act 25 (the Budget Act), is a refundable individual income tax credit that, prior to enactment of Act 72, could be claimed by certain disabled veterans of the U.S. Armed Forces at least 65 years of age, and by an eligible unremarried surviving spouse of certain veterans or members of the National Guard or reserves. A claimant was allowed to claim as a credit the amount of property taxes paid by the claimant on his or her principal dwelling in the year to which the claim related. According to the state Department of Revenue, if only one of the spouses was an eligible veteran, spouses owning the principal dwelling jointly or as marital property were only able to claim a credit based on the eligible veteran's ownership interest in the dwelling, which would be 50% for property owned as marital property.

2005 Wisconsin Act 72

Act 72 expands eligibility for the credit to ensure that, if a principal dwelling is owned jointly by spouses or as marital property and only one of the spouses is an eligible veteran, the credit may nevertheless be claimed for the full amount of taxes paid on the principal dwelling. If an eligible veteran and his or her spouse file separate tax returns, each spouse may claim the credit based on their respective ownership interest in the eligible veteran's principal dwelling.

Effective Date: The Act first applies to taxable years beginning on January 1, 2005.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

