



## 1997 ASSEMBLY BILL 871

March 2, 1998 - Introduced by Representatives GROTHMAN, LADWIG, ALBERS, DUFF, GREEN, HANDRICK, HUEBSCH, KEDZIE, F. LASEE, MUSSER, OTTE, OWENS, SERATTI, SKINDRUD, STASKUNAS, SYKORA and WARD, cosponsored by Senators FITZGERALD, DARLING, FARROW, ROESSLER and WELCH. Referred to Committee on Income Tax Review.

1     **AN ACT to create** 71.07 (6m) and 71.10 (4) (dp) of the statutes; **relating to:**  
2             creating a nonrefundable individual income tax credit for certain married  
3             couples who have dependent children.

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### *Analysis by the Legislative Reference Bureau*

This bill creates a \$500 individual income tax credit for certain married couples who have at least one dependent child who is under the age of 18. Under the bill, and subject to some limitations, a married couple is eligible to claim the credit if one of the spouses receives less than \$5,000 in income for work in the year to which the claim relates. The credit is nonrefundable. If the amount of the credit exceeds a taxpayer's tax liability, no refund will be issued.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

4             **SECTION 1.** 71.07 (6m) of the statutes is created to read:  
5             71.07 (**6m**) MARRIED COUPLE TAX CREDIT. (a) *Definitions.* In this subsection:  
6             1. "Claimant" means a married individual who resides with his or her spouse  
7             and is eligible to claim the credit under this subsection.

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1           2. "Dependent" means a child of a claimant or of a claimant's spouse who resides  
2 with his or her parents and who is under the age of 18.

3           3. "Household" means a claimant and an individual related to the claimant as  
4 husband or wife.

5           (b) *Filing claims.* Subject to the limitations provided in this subsection, a  
6 claimant who has at least one dependent may claim as a credit against the tax  
7 imposed under s. 71.02, up to the amount of those taxes, \$500.

8           (c) *Limitations.* 1. No credit may be allowed under this subsection unless it  
9 is claimed within the time period under s. 71.75 (2).

10           2. Part-year residents and nonresidents of this state are not eligible for the  
11 credit under this subsection.

12           3. Only one credit per household is allowed each year.

13           4. No credit may be claimed under this subsection if both the claimant and his  
14 or her spouse work and if both the claimant and his or her spouse receive \$5,000 or  
15 more in income for that work in the year to which the claim relates.

16           (d) *Administration.* The department of revenue may enforce the credit under  
17 this subsection and may take any action, conduct any proceeding and proceed as it  
18 is authorized in respect to taxes under this chapter. The income tax provisions in this  
19 chapter relating to assessments, refunds, appeals, collection, interest and penalties  
20 apply to the credit under this subsection.

21           **SECTION 2.** 71.10 (4) (dp) of the statutes is created to read:

22           71.10 (4) (dp) Married couple credit under s. 71.07 (6m).

23           **SECTION 3. Initial applicability.**

24           (1) This act first applies to taxable years beginning on January 1 of the year  
25 in which this subsection takes effect, except that, if this subsection takes effect after

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1 July 31, this act first applies to taxable years beginning on January 1 of the year  
2 following the year in which this subsection takes effect.

3 (END)