

## 2005 ASSEMBLY BILL 380

April 27, 2005 – Introduced by Representatives Musser, Boyle, Pettis, Towns, Hahn, Kerkman, Jensen, Cullen, Krawczyk, Owens, Nass, Bies, Ballweg, Freese, Gundrum, Petrowski, Hines, Davis, McCormick, Albers, Suder, Hundertmark, Gunderson, Van Roy, Moulton and Molepske, cosponsored by Senators Roessler, Leibham, Breske, Darling, Lassa and Grothman. Referred to Committee on Military Affairs. Referred to Joint Survey Committee on Tax Exemptions.

1 AN ACT *to amend* 71.05 (6) (b) 34. of the statutes; **relating to:** the individual 2 income tax exemption for pay received from the federal government by 3 members of a reserve component of the armed forces who serve on active duty.

### Analysis by the Legislative Reference Bureau

Under current law, there is an individual income tax exemption for pay received from the federal government by a member of a reserve component of the armed forces who is called to active duty. The exemption applies to any amounts of military pay that are paid to the person and that relate to the period of time during which the person is on active duty.

This bill changes current law to clarify the armed forces members to which the exemption applies, and expands the exemption to apply to armed forces members who participate in other specified missions.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this 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:

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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 <u>12301</u>, 12302 (a), or <del>10 USC</del> 12304, 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.

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#### SECTION 2. Initial applicability.

9 (1) This act first applies to taxable years beginning on January 1 of the year 10 in which this subsection takes effect, except that if this subsection takes effect after 11 July 31 this act first applies to taxable years beginning on January 1 of the year 12 following the year in which this subsection takes effect.

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(END)