



2005 ASSEMBLY BILL 78

February 3, 2005 - Introduced by Representatives MUSSER, WOOD, HAHN, PETTIS, PETROWSKI, TOWNSEND, MOULTON, KERKMAN, OWENS, J. FITZGERALD, NASS, BIES, JESKEWITZ, HONADEL, GUNDERSON, MCCORMICK, F. LASEE, JENSEN, FREESE, KRAWCZYK, OTT, HUNDERTMARK, STONE and SUDER, cosponsored by Senators HARSDDORF, LEIBHAM, LAZICH, ROESSLER, GROTHMAN, STEPP and LASSA. Referred to Committee on Ways and Means. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT to create** 71.05 (6) (b) 35. and 71.07 (6m) (c) 5. of the statutes; **relating**
2 **to:** creating an individual income tax exemption for military income received
3 by certain members of the U.S. armed forces and sunsetting the armed forces
4 member tax credit.

Analysis by the Legislative Reference Bureau

For taxable years beginning after December 31, 2004, this bill exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. armed forces.

Under current law, the armed forces member tax credit allows an active duty member of the U.S. armed forces to claim a nonrefundable individual income tax credit of up to \$200 in military income received each year from the federal government for services performed while the claimant is stationed outside of the United States. Because the credit is nonrefundable, no amount will be paid to the claimant by check if the credit he or she is due exceeds his or her tax liability.

Under this bill, no new claims may be made for the credit for taxable years that begin after December 31, 2004.

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.

