



## 2009 ASSEMBLY BILL 866

March 17, 2010 - Introduced by Representatives DAVIS, NYGREN, BROOKS, GUNDERSON, KERKMAN, KNODL, LEMAHIEU, LOTHIAN, MURTHA, PETERSEN, PETROWSKI, ROTH, SPANBAUER, SUDER, TAUCHEN, TOWNSEND, VOS, ZIEGELBAUER, KAUFERT and STRACHOTA, cosponsored by Senators LEIBHAM, HOPPER, HARSDORF, KEDZIE, A. LASEE, LAZICH and OLSEN. Referred to Committee on Ways and Means.

1     **AN ACT** *to repeal* 71.05 (6) (b) 9m.; and *to amend* 71.05 (6) (b) 9. of the statutes;  
2             **relating to:** restoring the treatment of the exclusion of capital gains for  
3             individuals and certain other persons that existed before the enactment of 2009  
4             Wisconsin Act 28.

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### *Analysis by the Legislative Reference Bureau*

Under current law, as affected by 2009 Wisconsin Act 28, the biennial budget bill, there is an income tax exclusion for individuals, fiduciaries, members of limited liability companies and partnerships, and shareholders of tax-option corporations for 30 percent of the net long-term capital gains realized from the sale of assets held more than one year and the sale of all assets acquired from a decedent, and an exclusion for 60 percent of such gains realized from the sale of farm assets held more than one year and the sale of all farm assets acquired from a decedent. This treatment in Act 28 first applies to taxable years beginning on January 1, 2009.

This bill repeals the changes made to the treatment of capital gains by 2009 Wisconsin Act 28. The bill restores the income tax exclusion for capital gains to 60 percent of the net long-term capital gains realized from the sale of assets held more than one year and the sale of all assets acquired from a decedent and repeals the separate 60 percent exclusion for farm assets.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

