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State of Misconsin 2009 - 2010 LEGISLATURE

## 2009 SENATE BILL 608

- March 10, 2010 Introduced by Senators KREITLOW, HARSDORF, KAPANKE and VINEHOUT, cosponsored by Representatives HRAYCHUCK, MILROY, RHOADES, RICHARDS, MURTHA, DANOU, SUDER, BALLWEG, VOS, ZIGMUNT, SMITH, TOWNSEND, SHILLING, ZIEGELBAUER, BROOKS, NERISON, HUBLER, KNODL and DEXTER. Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.
- 1 AN ACT relating to: requiring the Department of Revenue to study income tax
  - reciprocity with the state of Minnesota.

### Analysis by the Legislative Reference Bureau

This bill requires the Department of Revenue, in conjunction with the Minnesota Department of Revenue, to conduct a study on the effects of resuming income tax reciprocity between Wisconsin and Minnesota. The study must determine the number of residents in each state who earn income in the other state, the total amount of income earned in each state by such taxpayers, and the amount of revenue that would be foregone by each state if reciprocity were to be reinstituted. Under reciprocity, taxpayers are required to pay taxes only in their state of residence on income earned in the other state.

The study is to be based on income tax data for tax year 2010, and any other information each Department of Revenue determines is necessary to complete the study. The results of the study must be submitted to the legislatures and governors of each state no later than December 31, 2011.

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

SECTION 1. Nonstatutory provisions.

2009 – 2010 Legislature

### **SENATE BILL 608**

DEPARTMENT OF REVENUE STUDY. (a) The department of revenue, in 1 (1) $\mathbf{2}$ conjunction with the Minnesota department of revenue, shall conduct a study to 3 determine at least all of the following: 4 1. The number of residents of each state who earn income from personal  $\mathbf{5}$ services in the other state. 6 2. The total amount of income earned in each state by the taxpavers described 7 in subd. 1. 8 3. The amount of tax revenue that would be foregone by each state if an income 9 tax reciprocity arrangement were resumed between the 2 states under which the 10 taxpayers were required to pay income taxes on such income only in their state of 11 residence. 12(b) The study shall be conducted as soon as practicable, using information 13obtained from each state's income tax returns for tax year 2010 and from any other 14source of information the departments determine is necessary to complete the study. 15(c) No later than December 31, 2011, the department of revenue shall submit 16 a report containing the results of the study to the legislature under section 13.172 17(2) of the statutes, the joint committee on finance, the governor, and the governor and 18 legislature of Minnesota.

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#### (END)