

State of Wisconsin



2019 Senate Bill 821

Date of enactment:
Date of publication*:

2019 WISCONSIN ACT

AN ACT to renumber 70.111 (27) (b); to renumber and amend 79.096 (1) and 79.096 (2) (a); to amend 16.518 (title), 16.518 (3) (b) 1., 71.05 (22) (dp) (title), 71.05 (22) (dp) 1., 71.05 (22) (dp) 2., 71.05 (22) (dt), 71.05 (22) (f) 4. b. and 79.096 (3); and to create 16.518 (4), 70.111 (27) (b) 2., 71.05 (22) (dq), 79.096 (1) (b), 79.096 (2) (a) 1. and 79.096 (2) (a) 2. of the statutes; relating to: a property tax exemption for all machinery, tools, and patterns; a reduction of state general obligation and variable rate debt supported by general purpose revenue; and increasing the maximum deduction under the individual income tax sliding scale standard deduction.

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

SECTION 1. 16.518 (title) of the statutes is amended to read:

16.518 (title) Transfers to the budget stabilization fund; general obligation and variable rate debt reduction.

SECTION 2. 16.518 (3) (b) 1. of the statutes is amended to read:

16.518 (3) (b) 1. If the balance of the budget stabilization fund on June 30 of the fiscal year is at least equal to 5 percent of the estimated expenditures from the general fund during the fiscal year, as reported in the summary, the secretary may not make the transfer under par. (a) but shall certify to the building commission for purposes of sub. (4) 50 percent of the amount calculated under sub. (2).

SECTION 3. 16.518 (4) of the statutes is created to read:

16.518 (4) In the fiscal year following each fiscal year for which the secretary certifies an amount to the building commission under sub. (3) (b) 1., the secretary shall, in coordination with the building commission and

from the appropriate general purpose revenue debt service appropriations, reduce by that certified amount unpaid indebtedness in which general obligation or variable rate debt is paid from general purpose revenue.

SECTION 4. 70.111 (27) (b) of the statutes is renumbered 70.111 (27) (b) 1.

SECTION 5. 70.111 (27) (b) 2. of the statutes is created to read:

70.111 (27) (b) 2. Beginning with the property tax assessments as of January 1, 2020, machinery, tools, and patterns that are not exempt under subd. 1.

SECTION 6. 71.05 (22) (dp) (title) of the statutes is amended to read:

71.05 (22) (dp) (title) *Deduction limits, 2000 and thereafter to 2019.*

SECTION 7. 71.05 (22) (dp) 1. of the statutes is amended to read:

71.05 (22) (dp) 1. Except as provided in par. (f), and subject to subd. 2., for taxable years beginning after December 31, 1999, and before January 1, 2020, the Wisconsin standard deduction is whichever of the following amounts is appropriate. For a single individual who has a Wisconsin adjusted gross income of less than

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

\$10,380, the standard deduction is \$7,200. For a single individual who has a Wisconsin adjusted gross income of at least \$10,380, the standard deduction is the amount obtained by subtracting from \$7,200 12 percent of Wisconsin adjusted gross income in excess of \$10,380 but not less than \$0. For a head of household who has a Wisconsin adjusted gross income of less than \$10,380, the standard deduction is \$9,300. For a head of household who has a Wisconsin adjusted gross income of at least \$10,380, the standard deduction is the amount obtained by subtracting from \$9,300 22.515 percent of Wisconsin adjusted gross income in excess of \$10,380, but not less than \$0, until the adjusted gross income amount at which the standard deduction is equal to the standard deduction for a single individual at the same adjusted gross income amount. For a head of household who has a Wisconsin adjusted gross income of more than this amount, the standard deduction shall be calculated as if the head of household were a single individual. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of less than \$14,570, the standard deduction is \$12,970. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of at least \$14,570, the standard deduction is the amount obtained by subtracting from \$12,970 19.778 percent of aggregate Wisconsin adjusted gross income in excess of \$14,570 but not less than \$0. For a married individual filing separately who has a Wisconsin adjusted gross income of less than \$6,920, the standard deduction is \$6,160. For a married individual filing separately who has a Wisconsin adjusted gross income of at least \$6,920, the standard deduction is the amount obtained by subtracting from \$6,160 19.778 percent of Wisconsin adjusted gross income in excess of \$6,920 but not less than \$0. The secretary of revenue shall prepare a table under which deductions under this subdivision shall be determined. That table shall be published in the department's instructional booklets.

SECTION 8. 71.05 (22) (dp) 2. of the statutes is amended to read:

71.05 (22) (dp) 2. Except as provided in par. (f), for taxable years beginning after December 31, 2015, and before January 1, 2020, the Wisconsin standard deduction is whichever of the following amounts is appropriate. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of less than \$21,360, the standard deduction is \$19,010. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of at least \$21,360, the standard deduction is the amount obtained by subtracting from \$19,010 19.778 percent of aggregate Wisconsin adjusted gross income in excess of \$21,360 but not less than \$0. For a married individual filing separately who has a Wisconsin adjusted gross income of less than \$10,140, the standard deduction is \$9,030. For a married individual filing separately who has a Wisconsin adjusted gross

income of at least \$10,140, the standard deduction is the amount obtained by subtracting from \$9,030 19.778 percent of Wisconsin adjusted gross income in excess of \$10,140 but not less than \$0. The secretary of revenue shall prepare a table under which deductions under this subdivision shall be determined. That table shall be published in the department's instructional booklets.

SECTION 9. 71.05 (22) (dq) of the statutes is created to read:

71.05 (22) (dq) *Deduction limits, 2020 and thereafter.* Except as provided in par. (f), for taxable years beginning after December 31, 2019, the Wisconsin standard deduction is whichever of the following amounts is appropriate. For a single individual who has a Wisconsin adjusted gross income of less than \$17,760, the standard deduction is \$12,510. For a single individual who has a Wisconsin adjusted gross income of at least \$17,760, the standard deduction is the amount obtained by subtracting from \$12,510 12.193 percent of Wisconsin adjusted gross income in excess of \$17,760 but not less than \$0. For a head of household who has a Wisconsin adjusted gross income of less than \$17,760, the standard deduction is \$16,170. For a head of household who has a Wisconsin adjusted gross income of at least \$17,760, the standard deduction is the amount obtained by subtracting from \$16,170 22.154 percent of Wisconsin adjusted gross income in excess of \$17,760, but not less than \$0, until the adjusted gross income amount at which the standard deduction is equal to the standard deduction for a single individual at the same adjusted gross income amount. For a head of household who has a Wisconsin adjusted gross income of more than this amount, the standard deduction shall be calculated as if the head of household were a single individual. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of less than \$25,610, the standard deduction is \$23,170. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of at least \$25,610, the standard deduction is the amount obtained by subtracting from \$23,170 19.461 percent of aggregate Wisconsin adjusted gross income in excess of \$25,610 but not less than \$0. For a married individual filing separately who has a Wisconsin adjusted gross income of less than \$12,160, the standard deduction is \$11,000. For a married individual filing separately who has a Wisconsin adjusted gross income of at least \$12,160, the standard deduction is the amount obtained by subtracting from \$11,000 19.461 percent of Wisconsin adjusted gross income in excess of \$12,160 but not less than \$0. The secretary of revenue shall prepare a table under which deductions under this paragraph shall be determined. That table shall be published in the department's instructional booklets.

SECTION 10. 71.05 (22) (dt) of the statutes is amended to read:

71.05 (22) (dt) *Standard deduction indexing, 2001 and thereafter.* For taxable years beginning after December 31, 2000, the dollar amounts of the standard deduction that is allowable under ~~par. pars. (dp) and (dq)~~ and all of the dollar amounts of Wisconsin adjusted gross income under ~~par. pars. (dp) and (dq)~~ shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 1999, as determined by the federal department of labor, except that for taxable years beginning after December 31, 2011, the adjustment may occur only if the resulting amount is greater than the corresponding amount that was calculated for the previous year, and except that the base year for the adjustments to the dollar amounts of the standard deduction and all of the dollar amounts of Wisconsin adjusted gross income under par. (dp) 2. shall be 2015, and except that the base year for the adjustments to the dollar amounts of the standard deduction and all of the dollar amounts of Wisconsin adjusted gross income under par. (dq) shall be 2019. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10. The department of revenue shall annually adjust the changes in dollar amounts required under this paragraph and incorporate the changes into the income tax forms and instructions.

SECTION 11. 71.05 (22) (f) 4. b. of the statutes is amended to read:

71.05 (22) (f) 4. b. The standard deduction that may be claimed by an individual under par. (dm) ~~or~~ (dp), or (dq), based on the individual's filing status.

SECTION 12. 79.096 (1) of the statutes is renumbered 79.096 (1) (a) and amended to read:

79.096 (1) (a) Beginning in 2019, and in each year thereafter, the department of administration shall pay to each taxing jurisdiction, as defined in s. 79.095 (1) (c), an amount equal to the property taxes levied on the items of personal property described under s. 70.111 (27) (b) 1. for the property tax assessments as of January 1, 2017.

SECTION 13. 79.096 (1) (b) of the statutes is created to read:

79.096 (1) (b) Beginning in 2021, and in each year thereafter, the department of administration shall pay to each taxing jurisdiction, as defined in s. 79.095 (1) (c), an amount equal to the property taxes levied on the items of personal property described under s. 70.111 (27) (b) 2. for the property tax assessments as of January 1, 2019.

SECTION 14. 79.096 (2) (a) of the statutes is renumbered 79.096 (2) (a) (intro.) and amended to read:

79.096 (2) (a) (intro.) Each municipality shall report to the department of revenue, in the time and manner determined by the department, the amount of the property taxes levied on the ~~items of personal property described under s. 70.111 (27) (b) for the property tax assessments as of January 1, 2017,~~ following on behalf of the municipality and on behalf of other taxing jurisdictions:

SECTION 15. 79.096 (2) (a) 1. of the statutes is created to read:

79.096 (2) (a) 1. Items of personal property described under s. 70.111 (27) (b) 1. for the property tax assessments as of January 1, 2017.

SECTION 16. 79.096 (2) (a) 2. of the statutes is created to read:

79.096 (2) (a) 2. Items of personal property described under s. 70.111 (27) (b) 2. for the property tax assessments as of January 1, 2019.

SECTION 17. 79.096 (3) of the statutes is amended to read:

79.096 (3) Each taxing jurisdiction shall attribute to each tax incremental district within the taxing jurisdiction the district's proportionate share of the amount the taxing jurisdiction receives under sub. (1), except that, with regard to amounts received under sub. (1) (a), this subsection does not apply after the district closes. The amount that would have been paid to a tax incremental district under sub. (1) (b) shall be distributed to the municipality and applicable taxing jurisdictions in the year following the termination of the tax incremental district and in each year thereafter.

SECTION 18. Nonstatutory provisions.

(1) In the 2020–21 fiscal year, the secretary of administration shall, in coordination with the building commission and from the appropriate general purpose revenue debt service appropriations, reduce by \$100,000,000 unpaid indebtedness in which general obligation or variable rate debt is paid from general purpose revenue.