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## **1997 SENATE BILL 232**

June 10, 1997 – Introduced by Senators Welch, Zien, Roessler and Drzewiecki, cosponsored by Representatives Owens, Ryba, Musser, Lorge, Kreibich, Dobyns, Green, Ward, Handrick, Turner, Grothman, Brandemuehl, Schafer, Freese, Albers, Seratti, Hahn, Boyle, Gunderson, Powers, Porter, Klusman and Nass. Referred to Committee on Economic Development, Housing and Government Operations.

1 AN ACT to create 71.75 (11) of the statutes; relating to: income tax refunds for certain disabled veterans.

### Analysis by the Legislative Reference Bureau

This bill requires the department of revenue to issue an income tax refund to an individual who is otherwise eligible to receive a refund if the individual received separation pay from the U.S. military, paid income tax on the amount received and then had his or her status changed by the federal government such that the military considers the payment to have been a disability payment.

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.** 71.75 (11) of the statutes is created to read:
- 71.75 (11) If an individual files an amended income tax return and is otherwise eligible to receive a refund under this subchapter, the department shall pay the refund claim, in an amount equal to the amount of taxes paid by the individual under par. (b), if all of the following apply:

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| (a) The individual  | dual separated from | the U.S. | military and | d was eligible | for a | ınc |
|---------------------|---------------------|----------|--------------|----------------|-------|-----|
| received separation | pay under 10 USC 1  | 174.     |              |                |       |     |

- (b) Taxes were imposed under s. 71.02 on the amount described under par. (a) and the individual paid the amount owed.
- (c) After paying the amount owed under par. (b), the status of the individual is changed by the federal government and the U.S. Department of Veterans Affairs recognizes that the individual is disabled, as that term is used in 38 USC 1101 to 1161.
- (d) The U.S. military states that the individual's payment, that is described under par. (a), is now considered to have been made under 10 USC 1212.

### SECTION 2. Initial applicability.

(1) This act first applies to amended returns that are filed on the effective date of this subsection.

14 (END)