



2011 SENATE BILL 272

November 1, 2011 - Introduced by Senators KING, CARPENTER, T. CULLEN, ERPENBACH, HANSEN, HOLPERIN, JAUCH, C. LARSON, MILLER, SHILLING, TAYLOR, WIRCH, RISSER and LASSA, cosponsored by Representatives MILROY, HEBL, MASON, BEWLEY, BERCEAU, GRIGSBY, HULSEY, JORGENSEN, PASCH, POCAN, RINGHAND, ROYS, SINICKI, STASKUNAS, C. TAYLOR, YOUNG and ZEPNICK. Referred to Committee on Public Health, Human Services, and Revenue.

1 **AN ACT** *to repeal* 71.54 (1) (g) and 71.54 (2) (b) 4.; and *to amend* 71.54 (1) (f)
2 (intro.), 71.54 (2) (b) 3. and 71.54 (2m) of the statutes; **relating to:** restoring
3 indexing provisions to the homestead tax credit.

Analysis by the Legislative Reference Bureau

Under current law, as created in 2011 Wisconsin Act 32, the homestead tax credit formula factors (maximum income, maximum property taxes, and income threshold) are not indexed for inflation after 2010. This bill repeals those provisions and restores former law. Under the bill, the homestead tax credit formula factors would be indexed for inflation for 2011 and beyond.

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:

4 **SECTION 1.** 71.54 (1) (f) (intro.) of the statutes, as affected by 2011 Wisconsin
5 Act 32, is amended to read:

6 71.54 (1) (f) ~~2001 to 2011~~ and thereafter. (intro.) Subject to sub. (2m), the
7 amount of any claim filed in 2001 ~~to 2011~~ and thereafter and based on property taxes

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1 accrued or rent constituting property taxes accrued during the previous year is
2 limited as follows:

3 **SECTION 2.** 71.54 (1) (g) of the statutes, as created by 2011 Wisconsin Act 32,
4 is repealed.

5 **SECTION 3.** 71.54 (2) (b) 3. of the statutes, as affected by 2011 Wisconsin Act 32,
6 is amended to read:

7 71.54 (2) (b) 3. Subject to sub. (2m), in calendar years ~~1990 to 2010~~ year 1990
8 or any subsequent calendar year, \$1,450.

9 **SECTION 4.** 71.54 (2) (b) 4. of the statutes, as created by 2011 Wisconsin Act 32,
10 is repealed.

11 **SECTION 5.** 71.54 (2m) of the statutes, as affected by 2011 Wisconsin Act 32, is
12 amended to read:

13 71.54 (2m) INDEXING FOR INFLATION; 2010 AND THEREAFTER. (a) For calendar years
14 beginning after December 31, 2009, and ~~before January 1, 2011~~, the dollar amounts
15 of the threshold income under sub. (1) (f) 1. and 2., the maximum household income
16 under sub. (1) (f) 3. and the maximum property taxes under sub. (2) (b) 3. shall be
17 increased each year by a percentage equal to the percentage change between the U.S.
18 consumer price index for all urban consumers, U.S. city average, for the 12-month
19 average of the U.S. consumer price index for the month of August of the year before
20 the previous year through the month of July of the previous year and the U.S.
21 consumer price index for all urban consumers, U.S. city average, for the 12-month
22 average of the U.S. consumer price index for August 2007 through July 2008, as
23 determined by the federal department of labor, except that the adjustment may occur
24 only if the percentage is a positive number. Each amount that is revised under this
25 paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is

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1 not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount
2 shall be increased to the next higher multiple of \$10. The department of revenue
3 shall annually adjust the changes in dollar amounts required under this paragraph
4 and incorporate the changes into the income tax forms and instructions.

5 (b) The department of revenue shall annually adjust the slope under sub. (1)
6 (f) 2. such that, as a claimant's income increases from the threshold income as
7 calculated under par. (a), to an amount that exceeds the maximum household income
8 as calculated under par. (a), the credit that may be claimed is reduced to \$0 and the
9 department of revenue shall incorporate the changes into the income tax forms and
10 instructions.

11

(END)