



2013 ASSEMBLY BILL 334

August 23, 2013 – Introduced by Representatives RIEMER, SMITH, MASON, HINTZ, JORGENSEN, GOYKE, BEWLEY, BERNARD SCHABER, SINICKI, BERCEAU, ZEPNICK, RICHARDS, WRIGHT, POPE, GENRICH, C. TAYLOR, YOUNG, PASCH, KAHL, WACHS, CLARK, OHNSTAD, BARNES, HEBL, VRUWINK, MILROY, SARGENT, BILLINGS and BARCA, cosponsored by Senator T. CULLEN. Referred to Joint Committee on Finance.

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, 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 2013 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 is amended to read:
5 71.54 (1) (f) ~~2001 to 2011~~ and thereafter. (intro.) Subject to sub. (2m), the
6 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3 **SECTION 2.** 71.54 (1) (g) of the statutes is repealed.

4 **SECTION 3.** 71.54 (2) (b) 3. of the statutes is amended to read:

5 71.54 (2) (b) 3. Subject to sub. (2m), in calendar years ~~1990 to 2010~~ year 1990
6 or any subsequent calendar year, \$1,450.

7 **SECTION 4.** 71.54 (2) (b) 4. of the statutes is repealed.

8 **SECTION 5.** 71.54 (2m) of the statutes is amended to read:

9 71.54 (2m) INDEXING FOR INFLATION; ~~2010~~ 2013 AND THEREAFTER. (a) For calendar
10 years beginning after December 31, ~~2009, and before January 1, 2011~~ 2012, the dollar
11 amounts of the threshold income under sub. (1) (f) 1. and 2., the maximum household
12 income under sub. (1) (f) 3. and the maximum property taxes under sub. (2) (b) 3. shall
13 be increased each year by a percentage equal to the percentage change between the
14 U.S. consumer price index for all urban consumers, U.S. city average, for the
15 12-month average of the U.S. consumer price index for the month of August of the
16 year before the previous year through the month of July of the previous year and the
17 U.S. consumer price index for all urban consumers, U.S. city average, for the
18 12-month average of the U.S. consumer price index for August 2007 through July
19 2008, as determined by the federal department of labor, except that the adjustment
20 may occur only if the percentage is a positive number. Each amount that is revised
21 under this paragraph shall be rounded to the nearest multiple of \$10 if the revised
22 amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an
23 amount shall be increased to the next higher multiple of \$10. The department of
24 revenue shall annually adjust the changes in dollar amounts required under this
25 paragraph and incorporate the changes into the income tax forms and instructions.

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

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(END)