



2013 SENATE BILL 147

April 18, 2013 – Introduced by Senators S. FITZGERALD, L. TAYLOR, GUDEx, TIFFANY, GROTHMAN, DARLING, CARPENTER, LASEE, LAZICH and LASSA, cosponsored by Representatives BORN, JAGLER, KLEEFISCH, RIPP, NASS, MARKLEIN, BROOKS, TRANEL, PETERSEN, JACQUE, SANFELIPPO, STRACHOTA, PETRYK, CZAJA, OHNSTAD, HONADEL, PRIDEMORE, KOLSTE, HESSELBEIN, MURPHY, WEATHERSTON, JORGENSEN, THIESFELDT, TITTL, CRAIG, SPIROS, BERNIER, ENDSLEY, SCHRAA, KAHL, T. LARSON, KESTELL, BIES and SUDER. Referred to Committee on Transportation, Public Safety, and Veterans and Military Affairs.

1 **AN ACT** *to create* 71.05 (6) (b) 48. of the statutes; **relating to:** creating an
2 individual income tax exemption for military income received by active duty
3 members of the U.S. armed forces who die in a combat zone.

Analysis by the Legislative Reference Bureau

For taxable years beginning after December 31, 2012, this bill exempts from taxation all military income received from the federal government by an individual who is on active duty in the U.S. armed forces and who dies in a combat zone. The exemption applies to income received by the individual in the year in which he or she dies, and in the year before that year if the individual has not filed a return for that prior year.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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.** 71.05 (6) (b) 48. of the statutes is created to read:

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SECTION 1

71.05 (6) (b) 48. For taxable years that begin after December 31, 2012, any amount of basic, special, or incentive pay income, as those terms are used in 37 USC chapters 3 and 5, received from the federal government by an individual who is on active duty in the U.S. armed forces, as defined in 26 USC 7701 (a) (15), and who dies in a combat zone. The subtraction in this subdivision applies to the basic, special, or incentive pay income that is received by the individual in the year in which he or she dies, and in the year immediately preceding that year if the individual has not filed a return for the year before the year in which he or she dies.

(END)