

*STATE OF WISCONSIN**REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS**2011 ASSEMBLY BILL 128*

[Introduced by Representatives Ripp, Nerison, Jacque, Bernier, Ballweg, Spanbauer, Radcliffe, Jorgensen, A. Ott, Bies, Brooks, Mursau, Marklein, Strachota, Kerkman and Nass; and cosponsored by Senators Kedzie, Olsen, Holperin, Lassa, Hansen, Leibham, Taylor, Wirch, Grothman and Lasee.]

**General Nature of Proposal**

Generally, under current law, employers must withhold amounts from an employee's wages in accordance with withholding tables prepared by the Department of Revenue. Current law exempts county fair associations from this withholding requirement with regard to employees who receive less than \$100 annually in wages or salary from the association.

2011 Assembly Bill 128 increases the exemption amount to \$500.

Assembly Bill 128 first applies to taxable years beginning on January 1 of the year in which it takes effect, except that if it takes effect after July 31, the bill first applies to taxable years beginning on January 1 of the following year.

**Legality Involved**

There are no issues of legality involved.

**Fiscal Effect Upon the State and Its Subdivisions**

According to the Department of Revenue:

This bill would have a minimal impact on individual income tax revenue. The bill would delay the receipt of income tax revenue from wages or salaries paid to county fair association employees who earn between \$100 and \$500 to the time when they file their income tax returns. However, this is not expected to have a significant effect.

**Public Policy Involved**

The Joint Survey Committee on Tax Exemptions supports the public policy within Assembly Bill 128.

10/26/11

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