



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2001 Assembly Bill 577

**Assembly Substitute
Amendment 1**

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Assembly Substitute Amendment 1 to 2001 Assembly Bill 577 would allow persons to claim the property tax rent credit against income tax liability with respect to property taxes *paid* by the claimant in the year *before* the property taxes were due.

The situation addressed by the substitute amendment is where persons pay two years of property taxes in a single year in order to maximize their itemized deduction for federal income tax purposes. Currently, the property tax rent credit may only be claimed for property taxes paid *during* the year for which the credit is claimed. Therefore, persons who “double up” on their property tax payments in one year in order to maximize their federal itemized deduction are not able to claim the property tax rent credit for the property taxes that they prepaid.

The substitute amendment would allow persons to claim a property tax rent credit with respect to property taxes paid in the year before they are due. The substitute amendment would affect taxable years beginning on January 1, 2002 if the substitute amendment takes effect on or before July 31, 2002, and would affect taxable years beginning on January 1, 2003 if the substitute amendment takes effect after July 31, 2002.

Assembly Substitute Amendment 1 was adopted and recommended for passage by the Assembly Committee on Ways and Means on January 16, 2002 by a vote of Ayes, 13; Noes, 0.

WF:jal:tlu;rv