



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2005 Assembly Bill 78**

**Assembly Substitute  
Amendment 1**

*Memo published: April 18, 2005*

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*Assembly Substitute Amendment 1* would exempt from the state income tax all amounts of basic, special, or incentive pay received from the federal government by an individual on active duty in U.S. Armed Forces and who is stationed outside the state. "Active duty" is defined as full-time duty but not including training. "U.S. Armed Forces" is defined as the Army, Navy, Marines, Air Force, and Coast Guard, and all reserve components thereof.

In addition, the substitute amendment would exempt from the state income tax all amounts of basic, special, or incentive pay received from the federal government by an individual on active duty in the U.S. Armed Forces and who is stationed within the state if the individual is serving under 10 U.S.C. s. 12301 (d). This statute references individuals who are in the National Guard or in a reserve component of the Armed Forces who are called into active duty under the authority of the U.S. Secretary of Defense.

The substitute amendment would also terminate a \$200 Wisconsin income tax credit provided to members of the U.S. Armed Forces that are stationed outside of the U.S. because the income against which the credit is provided would be exempted from taxation under the substitute amendment.

### **Legislative History**

Assembly Substitute Amendment 1 was introduced by Representative Musser on April 12, 2005. On April 15, 2005, Assembly Substitute Amendment 1 was adopted and recommended for passage by the Assembly Committee on Ways and Means by a vote of Ayes, 13; Noes, 0.

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