



1997 SENATE BILL SB-115

March 13, 1997 - Introduced by Senators MOEN, WINEKE, DECKER, RUDE, WELCH, SCHULTZ, GROBSCHMIDT and PLACHE, cosponsored by Representatives MUSSER, DOBYNS, GRONEMUS, VANDER LOOP, SPRINGER, RILEY, PLALE, SCHNEIDER, GROTHMAN, KREUSER, LAZICH, LORGE, WARD, SERATTI, POWERS and OWENS. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to amend** 71.05 (1) (a); and **to create** 71.85 (4) of the statutes; **relating**
2 **to:** exempting from income taxation the pension benefits of certain national
3 guard technicians and interest and penalty waivers for certain payments made
4 to national guard technicians.

Analysis by the Legislative Reference Bureau

Under current law, the pension benefits of certain public employees are exempt from state taxation. The pensions that are exempt include payments received from the U.S. civil service retirement system, the U.S. military employe retirement system, the Milwaukee city and county retirement systems, the police officer's annuity and benefit fund of Milwaukee, the Milwaukee public school teachers' retirement fund, the Wisconsin state teachers' retirement fund and the sheriff's annuity and benefit fund of Milwaukee County, which are paid on the account of persons who were members of or retired from the plans as of December 31, 1963.

This bill exempts from taxation payments received from the U.S. civil service retirement system on the account of a person who has a U.S. office of personnel management service computation date as of December 31, 1963, if the person was a national guard technician who worked as a technician for the Wisconsin national guard and was later recognized as a federal employe under the National Guard Technician Act of 1968.

Also under this bill, such technicians, or the surviving spouses of such technicians, are not liable for any interest or penalties on any outstanding tax liabilities owed on certain payments received from the U.S. civil service retirement

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system and may claim a refund for any interest or penalty payments that were made before the effective date of the bill if the claim is filed within 9 years after the unextended date on which the tax return was due.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this 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:

1 **SECTION 1.** 71.05 (1) (a) of the statutes is amended to read:

2 71.05 (1) (a) *Retirement systems.* All payments received from the U.S. civil
3 service retirement system, the U.S. military employe retirement system, the
4 employe's retirement system of the city of Milwaukee, Milwaukee county employes'
5 retirement system, sheriff's annuity and benefit fund of Milwaukee county, police
6 officer's annuity and benefit fund of Milwaukee, fire fighter's annuity and benefit
7 fund of Milwaukee, or the public employe trust fund as successor to the Milwaukee
8 public school teachers' annuity and retirement fund and to the Wisconsin state
9 teachers retirement system, which are paid on the account of any person who was
10 a member of the paying or predecessor system or fund as of December 31, 1963, or
11 was retired from any of the systems or funds as of December 31, 1963, or who has a
12 U.S. office of personnel management service computation date as of December 31,
13 1963, if the person was a national guard technician who worked as a technician for
14 the Wisconsin national guard and was later recognized as a federal employe under
15 the National Guard Technician Act of 1968, but such exemption shall not exclude
16 from gross income tax sheltered annuity benefits.

17 **SECTION 2.** 71.85 (4) of the statutes is created to read:

