



## 2005 ASSEMBLY BILL 164

March 3, 2005 – Introduced by Representatives MUSSER, HEBL, WOOD, NASS, SINICKI, SUDER, BLACK, PETTIS, ALBERS, DAVIS, HUBLER, HINES, TOWNS, KREIBICH, GRONEMUS, VOS, FREESE, HAHN, TURNER, KESTELL, OWENS, OTT, NERISON, GUNDERSON, HUNDERTMARK, BIES, VRAKAS, PETROWSKI, GUNDRUM, F. LASEE and MCCORMICK, cosponsored by Senators ROESSLER, KANAVAS, CARPENTER, GROTHMAN, KEDZIE, LASSA, BRESKE and WIRCH. Referred to Committee on Veterans Affairs. Referred to Joint Survey Committee on Tax Exemptions.

1     **AN ACT** *to create* subchapter XVI of chapter 71 [precedes 71.98] of the statutes;  
2           **relating to:** exempting from taxation a military death gratuity payment.

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### *Analysis by the Legislative Reference Bureau*

This bill adopts, for state income and franchise tax purposes, section 102 of Public Law 108-121 as it relates to exempting from taxation an amount that a person receives as a military death gratuity payment. The federal law increases the payment from \$6,000 to \$12,000 and amends the Internal Revenue Code to provide that the entire payment is exempt from taxation.

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.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3           **SECTION 1.** Subchapter XVI of chapter 71 [precedes 71.98] of the statutes is  
4     created to read:

**ASSEMBLY BILL 164**

**CHAPTER 71**

**SUBCHAPTER XVI**

**INTERNAL REVENUE CODE UPDATE**

**71.98 Internal Revenue Code update.** The following federal laws, to the extent that they apply to the Internal Revenue Code, apply to this chapter:

(1) **MILITARY DEATH GRATUITY PAYMENTS.** Section 102 of P.L. 108-121, to the extent that it relates to increasing the military death gratuity payment and exempting from taxation the entire amount of that payment.

**SECTION 2. Initial applicability.**

(1) This act first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 this act first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

**(END)**