



2007 ASSEMBLY BILL 601

November 29, 2007 - Introduced by Representatives HINES, ALBERS, BIES, GUNDERSON, MUSSER and A. OTT, cosponsored by Senators LEIBHAM and SCHULTZ. Referred to Committee on Jobs and The Economy.

1 **AN ACT to create** 71.07 (6f) and 71.10 (4) (cf) of the statutes; **relating to:** creating
2 a nonrefundable individual income tax credit for individuals who earn an
3 associate's or bachelor's degree.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit for all of the income (wages, salary, or tips) received by an individual who is awarded an associate's or bachelor's degree by an accredited college or university. Because the credit is nonrefundable, it may be claimed only up to the amount of a claimant's income tax liability. The credit may not be claimed by individuals who are nonresidents or part-year residents of Wisconsin.

The credit must be claimed for two or four consecutive years, beginning with the year that begins after the year in which the claimant's degree is awarded. If a claimant who claims the credit for an associate's degree later earns a bachelor's degree, he or she may claim the credit for two additional years. No individual may claim the credit for more than four years.

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:

ASSEMBLY BILL 601

1 **SECTION 1.** 71.07 (6f) of the statutes is created to read:

2 71.07 **(6f)** POSTSECONDARY DEGREE TAX CREDIT. (a) *Definitions.* In this
3 subsection:

4 1. "Claimant" means an individual who is awarded a degree and who claims
5 a credit under this subsection.

6 2. "Degree" means an associate's degree or a bachelor's degree that is awarded
7 to a claimant from a college or university that is regionally accredited and that is
8 located in a state or territory of the United States.

9 3. "Income" means wages, salary, or tip income earned by a claimant in the year
10 to which the claim relates.

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
12 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
13 amount of those taxes, an amount equal to the claimant's income.

14 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
15 is claimed within the time period under s. 71.75 (2).

16 2. No credit may be claimed by an individual who is a nonresident or part-year
17 resident of this state.

18 3. Except as provided in subd. 5., an individual who is awarded an associate's
19 degree may only claim the credit under this subsection for 2 consecutive taxable
20 years, beginning with the taxable year that begins after the year in which the
21 individual is awarded his or her degree.

22 4. Except as provided in subd. 5., an individual who is awarded a bachelor's
23 degree may only claim the credit under this subsection for 4 consecutive taxable
24 years, beginning with the taxable year that begins after the year in which the
25 individual is awarded his or her degree.

