



2007 ASSEMBLY BILL 920

March 11, 2008 - Introduced by Representatives GARTHWAITE, ALBERS, BLACK, BERCEAU, BOYLE, GRONEMUS, HILGENBERG, HINTZ, HRAYCHUCK, KREUSER, MASON, PARISI, PETROWSKI, POCAN, SHERIDAN, STASKUNAS, TURNER and ZEPNICK, cosponsored by Senators JAUCH, LASSA, ROBSON and SULLIVAN. Referred to Committee on Ways and Means.

- 1 **AN ACT to create** 71.54 (2m) of the statutes; **relating to:** indexing for inflation
2 household income under the homestead tax credit.

Analysis by the Legislative Reference Bureau

Under current law, for claims filed in 2001 and thereafter, the homestead tax credit threshold income is \$8,000, the maximum property taxes, or rent constituting property taxes, that a claimant may use in calculating his or her credit are \$1,450, and the maximum household income is \$24,500. Under the current law formula, as a claimant's income exceeds \$8,000, the credit is phased out until the credit equals zero when income exceeds \$24,500. Also under the formula, if the household income is \$8,000 or less, the credit is 80 percent of the property taxes accrued or rent constituting property taxes accrued. Using the formula, the credit that may be claimed ranges from \$10 to \$1,160.

Under this bill, for claims filed in 2009 and thereafter, the maximum household income is indexed for inflation. Also under the bill, as a claimant's income exceeds the threshold income amount, the credit is phased out until the credit equals zero when income exceeds the maximum income as adjusted for inflation.

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:

