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LRB-5023/1 MES:amn

2017 ASSEMBLY BILL 890

January 30, 2018 - Introduced by Representatives Vruwink, Spreitzer and Fields. Referred to Committee on Ways and Means.

AN ACT *to create* 71.05 (6) (b) 54. of the statutes; **relating to:** creating an individual income tax subtract modification for certain low income residents of rural areas.

Analysis by the Legislative Reference Bureau

This bill creates a \$500 individual income tax subtract modification for certain low income individuals who live in rural areas, and who own a motor vehicle that is registered in this state that the individual uses for personal transportation. Under the bill, to be eligible for the subtraction, the claimant's family income, defined as the federal adjusted gross income of the claimant and his or her spouse, may not exceed 2.5 times the federal poverty level. Under the bill, only one member of a household may claim the subtraction each year.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the 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:

Section 1. 71.05 (6) (b) 54. of the statutes is created to read:

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SECTION	1

- 71.05 (6) (b) 54. a. Subject to the definitions provided in subd. 54. b. to f. and the limitations specified in subd. 54. g. to i., for taxable years beginning after December 31, 2017, \$500 claimed by a claimant.
- In this subdivision, "claimant" means an individual who claims the subtraction under this subdivision and who owns a motor vehicle that is registered under ch. 341, in the individual's name, and who uses that vehicle for personal transportation.
- c. In this subdivision, "family income" means the federal adjusted gross income of the claimant and his or her spouse in the year to which the claim relates.
- d. In this subdivision, "household" means a claimant and his or her spouse and all minor dependents.
- e. In this subdivision, "poverty level" means 2.5 times the poverty level determined in accordance with criteria established by the director of the federal office of management and budget.
- f. In this subdivision, "rural area" means an area outside a metropolitan statistical area, as specified under 42 CFR 412.62 (f) (ii) (A).
- g. An individual may not be a claimant under this subdivision if the individual's family income exceeds the poverty level.
- h. An individual may not be a claimant under this subdivision if the individual does not live in a rural area.
- i. Only one member of a household may claim the subtraction under this subdivision in a taxable year.

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