



2021 SENATE BILL 671

November 2, 2021 - Introduced by Senators STROEBEL, DARLING and NASS, cosponsored by Representatives PENTERMAN, ARMSTRONG, DITTRICH, HORLACHER, KITCHENS, KRUG, RAMTHUN, THIESFELDT, WICHGERS and EDMING. Referred to Committee on Financial Institutions and Revenue.

1 **AN ACT** *to create* 71.07 (9e) (ak) of the statutes; **relating to:** allowing certain
2 married individuals to claim the Earned Income Tax Credit.

Analysis by the Legislative Reference Bureau

This bill authorizes an Earned Income Tax Credit claimant, who becomes married in the taxable year to which his or her claim relates, to claim the greater of either the EITC that is calculated based on his or her current status as a married individual, or the combined EITC that each spouse claimed in the immediately preceding taxable year. For the next two taxable years, the individual may continue to claim the credit. Under current law, married individuals generally may not claim the Wisconsin EITC.

Also under the bill, a married couple that would otherwise be ineligible to claim the state credit may continue to claim the credit if the claimants' federal adjusted gross income is less than an amount, calculated annually by the Internal Revenue Service, at which the federal credit begins to phase down, plus \$20,000. The bill first applies to taxable years beginning after December 31, 2021.

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:

3 **SECTION 1.** 71.07 (9e) (ak) of the statutes is created to read:

SENATE BILL 671**SECTION 1**

1 71.07 (9e) (ak) 1. For taxable years beginning after December 31, 2021, and
2 notwithstanding par. (b), for an individual who claims the credit under par. (aj), if the
3 claimant becomes married in the taxable year to which the claim relates, the
4 claimant may claim the greater of either the credit calculated under par. (aj) based
5 on his or her filing status as a married individual, or the combined credit that each
6 spouse claimed in the immediately preceding taxable year under par. (aj) when the
7 claimants were not married, which shall be considered the base year.

8 2. For the next 2 successive taxable years after an individual calculates the
9 credit under subd. 1., he or she may claim the greater of either the credit calculated
10 under par. (aj) based on his or her filing status as a married individual in the current
11 taxable year, or the credit he or she claimed in the base year.

12 3. Subject to subd. 2., a married couple that does not otherwise qualify for the
13 credit as described under this paragraph may still claim the credit if the claimants'
14 federal adjusted gross income in the current year is less than the federal completed
15 phase-out amount for married couples filing jointly, with the same number of
16 children and the same filing status, as determined by the internal revenue service
17 for the appropriate taxable year, plus \$20,000.

18 (END)