



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-4277/1  
MES:ahc

## 2017 ASSEMBLY BILL 556

October 19, 2017 - Introduced by Representatives TITTL, CONSIDINE, EDMING, HORLACHER, QUINN and ROHRKASTE. Referred to Committee on Health.

- 1     **AN ACT** *to create* 71.05 (6) (b) 53. and 71.53 (2) (g) of the statutes; **relating to:**  
2             creating an individual income tax deduction for certain income earned by an  
3             individual from the practice of psychiatry.

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### *Analysis by the Legislative Reference Bureau*

This bill creates an individual income tax subtract modification, or deduction, for up to \$200,000 of income earned in this state by a psychiatrist, in the taxable year to which the claim relates, from the practice of psychiatry. The deduction may not be claimed for more than ten years, and must be claimed during the ten-year period that begins once the claimant first claims the credit. The deduction must be claimed initially within the first two years that a psychiatrist begins to practice in this state, or within the first two years that a psychiatrist returns to this state after practicing in another state for at least one year. If an individual begins to claim the deduction and is then ineligible to claim the deduction in any year that he or she is a full-year resident of this state, the individual may again claim the deduction in a future year if eligible to do so. If an individual begins to claim the deduction but is unable to claim it for ten consecutive years because he or she leaves the state, the individual must add to his or her tax that is due for the year in which he or she leaves the state the total gross tax that would have been due if the subtraction was not claimed for any year minus the amount of gross tax actually due for those years. In addition, an individual who is eligible for and claims the deduction may not claim the homestead tax credit.

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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.

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

1           **SECTION 1.** 71.05 (6) (b) 53. of the statutes is created to read:

2           71.05 **(6)** (b) 53. a. Subject to the definitions in subd. 53. b. and c. and the  
3 limitations specified in subd. 53. d., e., f., g., and h., for taxable years beginning after  
4 December 31, 2015, an amount of income, up to \$200,000, earned in this state by a  
5 psychiatrist from the practice of psychiatry in the taxable year to which the claim  
6 relates.

7           b. In this subdivision, "income" means all remuneration for services performed  
8 by a psychiatrist for an employer and net earnings from self-employment derived  
9 solely from the practice of psychiatry.

10          c. In this subdivision, "psychiatrist" has the meaning given in s. 457.01 (8e).

11          d. A psychiatrist must begin to claim the subtraction under this subdivision  
12 within the first 2 years that he or she begins practicing psychiatry within this state  
13 or within the first 2 years that he or she returns to this state to practice psychiatry  
14 after practicing psychiatry for at least one year in another state, or the psychiatrist  
15 may not claim the subtraction in any future years.

16          e. An individual may claim the subtraction under this subdivision for no more  
17 than 10 taxable years.

18          f. An individual may claim the subtraction under this subdivision only during  
19 the 10-year period that begins with the first year he or she claims the credit.

