

State of Wisconsin



2019 Assembly Bill 4

Date of enactment:
Date of publication*:

2019 WISCONSIN ACT

AN ACT *to amend* 71.05 (22) (dp) (title), 71.05 (22) (dp) 1., 71.05 (22) (dp) 2., 71.05 (22) (dt) and 71.05 (22) (f) 4. b.; and *to create* 71.05 (22) (dq) and 71.64 (9) (b) 3. of the statutes; **relating to:** increasing the maximum deduction under the individual income tax sliding scale standard deduction.

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

SECTION 1e. 71.05 (22) (dp) (title) of the statutes is amended to read:

71.05 (22) (dp) (title) *Deduction limits, 2000 and thereafter to 2019.*

SECTION 1f. 71.05 (22) (dp) 1. of the statutes is amended to read:

71.05 (22) (dp) 1. Except as provided in par. (f), and subject to subd. 2., for taxable years beginning after December 31, 1999, and before January 1, 2020, the Wisconsin standard deduction is whichever of the following amounts is appropriate. For a single individual who has a Wisconsin adjusted gross income of less than \$10,380, the standard deduction is \$7,200. For a single individual who has a Wisconsin adjusted gross income of at least \$10,380, the standard deduction is the amount obtained by subtracting from \$7,200 12 percent of Wisconsin adjusted gross income in excess of \$10,380 but not less than \$0. For a head of household who has a Wisconsin adjusted gross income of less than \$10,380, the standard deduction is \$9,300. For a head of household who has a Wisconsin adjusted gross income of at least \$10,380, the standard deduction is the amount obtained by subtracting from \$9,300 22.515 percent of Wisconsin

adjusted gross income in excess of \$10,380, but not less than \$0, until the adjusted gross income amount at which the standard deduction is equal to the standard deduction for a single individual at the same adjusted gross income amount. For a head of household who has a Wisconsin adjusted gross income of more than this amount, the standard deduction shall be calculated as if the head of household were a single individual. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of less than \$14,570, the standard deduction is \$12,970. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of at least \$14,570, the standard deduction is the amount obtained by subtracting from \$12,970 19.778 percent of aggregate Wisconsin adjusted gross income in excess of \$14,570 but not less than \$0. For a married individual filing separately who has a Wisconsin adjusted gross income of less than \$6,920, the standard deduction is \$6,160. For a married individual filing separately who has a Wisconsin adjusted gross income of at least \$6,920, the standard deduction is the amount obtained by subtracting from \$6,160 19.778 percent of Wisconsin adjusted gross income in excess of \$6,920 but not less than \$0. The secretary of revenue shall prepare a table under which deductions under this subdivision shall be determined.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

That table shall be published in the department's instructional booklets.

SECTION 2. 71.05 (22) (dp) 2. of the statutes is amended to read:

71.05 (22) (dp) 2. Except as provided in par. (f), for taxable years beginning after December 31, 2015, and before January 1, 2020, the Wisconsin standard deduction is whichever of the following amounts is appropriate. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of less than \$21,360, the standard deduction is \$19,010. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of at least \$21,360, the standard deduction is the amount obtained by subtracting from \$19,010 19.778 percent of aggregate Wisconsin adjusted gross income in excess of \$21,360 but not less than \$0. For a married individual filing separately who has a Wisconsin adjusted gross income of less than \$10,140, the standard deduction is \$9,030. For a married individual filing separately who has a Wisconsin adjusted gross income of at least \$10,140, the standard deduction is the amount obtained by subtracting from \$9,030 19.778 percent of Wisconsin adjusted gross income in excess of \$10,140 but not less than \$0. The secretary of revenue shall prepare a table under which deductions under this subdivision shall be determined. That table shall be published in the department's instructional booklets.

SECTION 3. 71.05 (22) (dq) of the statutes is created to read:

71.05 (22) (dq) *Deduction limits, 2020 and thereafter.* Except as provided in par. (f), for taxable years beginning after December 31, 2019, the Wisconsin standard deduction is whichever of the following amounts is appropriate. For a single individual who has a Wisconsin adjusted gross income of less than \$18,790, the standard deduction is \$13,360. For a single individual who has a Wisconsin adjusted gross income of at least \$18,790, the standard deduction is the amount obtained by subtracting from \$13,360 12.3 percent of Wisconsin adjusted gross income in excess of \$18,790 but not less than \$0. For a head of household who has a Wisconsin adjusted gross income of less than \$18,790, the standard deduction is \$17,260. For a head of household who has a Wisconsin adjusted gross income of at least \$18,790, the standard deduction is the amount obtained by subtracting from \$17,260 21.952 percent of Wisconsin adjusted gross income in excess of \$18,790, but not less than \$0, until the adjusted gross income amount at which the standard deduction is equal to the standard deduction for a single individual at the same adjusted gross income amount. For a head of household who has a Wisconsin adjusted gross income of more than this amount, the standard deduction shall be calculated as if the head of household were a single individual. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of less than \$27,120, the standard deduction is

\$24,740. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of at least \$27,120, the standard deduction is the amount obtained by subtracting from \$24,740 19.284 percent of aggregate Wisconsin adjusted gross income in excess of \$27,120 but not less than \$0. For a married individual filing separately who has a Wisconsin adjusted gross income of less than \$12,880, the standard deduction is \$11,750. For a married individual filing separately who has a Wisconsin adjusted gross income of at least \$12,880, the standard deduction is the amount obtained by subtracting from \$11,750 19.284 percent of Wisconsin adjusted gross income in excess of \$12,880 but not less than \$0. The secretary of revenue shall prepare a table under which deductions under this paragraph shall be determined. That table shall be published in the department's instructional booklets.

SECTION 4. 71.05 (22) (dt) of the statutes is amended to read:

71.05 (22) (dt) *Standard deduction indexing, 2001 and thereafter.* For taxable years beginning after December 31, 2000, the dollar amounts of the standard deduction that is allowable under ~~par. (dp)~~ par. (dp) and (dq) and all of the dollar amounts of Wisconsin adjusted gross income under ~~par. (dp)~~ par. (dp) and (dq) shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 1999, as determined by the federal department of labor, except that for taxable years beginning after December 31, 2011, the adjustment may occur only if the resulting amount is greater than the corresponding amount that was calculated for the previous year, and except that the base year for the adjustments to the dollar amounts of the standard deduction and all of the dollar amounts of Wisconsin adjusted gross income under par. (dp) 2. shall be 2015, and except that the base year for the adjustments to the dollar amounts of the standard deduction and all of the dollar amounts of Wisconsin adjusted gross income under par. (dq) shall be 2019. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10. The department of revenue shall annually adjust the changes in dollar amounts required under this paragraph and incorporate the changes into the income tax forms and instructions.

SECTION 4m. 71.05 (22) (f) 4. b. of the statutes is amended to read:

71.05 (22) (f) 4. b. The standard deduction that may be claimed by an individual under par. (dm) ~~or~~ (dp), or (dq), based on the individual's filing status.

SECTION 5. 71.64 (9) (b) 3. of the statutes is created
to read:
71.64 (9) (b) 3. Not later than January 1, 2020, the

department shall adjust the withholding tables to reflect
the changes in the standard deduction limits under s.
71.05 (22) (dq).
