



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1474/P1

KP:cjs

DOA:.....Quinn, BB0316 - Increase the personal exemption

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Increasing the personal exemption

The bill increases from \$700 to \$1,200 the income tax personal exemption for taxpayers, their spouses, and their dependents.

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 (22) (f) 1m. of the statutes is amended to read:

71.05 (22) (f) 1m. For taxable years beginning after December 31, 1997, in the case of a taxpayer with respect to whom an exemption under sub. (23) (b) 2. or (be) 2. is allowable to another person, the Wisconsin standard deduction shall be the lesser of the amount under subd. 2m. or one of the amounts calculated under subd. 3m., whichever amount under subd. 3m. is greater.

SECTION 2. 71.05 (23) (b) (intro.) of the statutes is amended to read:

71.05 (23) (b) (intro.) For taxable years that begin after December 31, 2000, and before January 1, 2025:

BILL**SECTION 3**

SECTION 3. 71.05 (23) (be) of the statutes is created to read:

71.05 (23) (be) For taxable years that begin after December 31, 2024:

1. A personal exemption of \$1,200 if the taxpayer is required to file a return under s. 71.03 (2) (a) 1. or 2. and \$1,200 for the taxpayer's spouse, except if the spouse is filing separately or as a head of household.

2. An exemption of \$1,200 for each dependent, as defined under section 152 of the Internal Revenue Code, of the taxpayer.

3. An additional exemption of \$250 if the taxpayer has reached the age of 65 before the close of the taxable year to which his or her tax return relates and \$250 for the taxpayer's spouse if he or she has reached the age of 65 before the close of the taxable year to which his or her tax return relates, except if the spouse is filing separately or as a head of household.

SECTION 4. 71.05 (23) (c) of the statutes is amended to read:

71.05 (23) (c) With respect to persons who change their domicile into or from this state during the taxable year and nonresident persons, personal exemptions under pars. (a) ~~and~~, (b), and (be) shall be limited to the fraction of the amount so determined that Wisconsin adjusted gross income is of federal adjusted gross income. In this paragraph, for married persons filing separately "adjusted gross income" means the separate adjusted gross income of each spouse and for married persons filing jointly "adjusted gross income" means the total adjusted gross income of both spouses. If a person and that person's spouse are not both domiciled in this state during the entire taxable year, their personal exemptions on a joint return are determined by multiplying the personal exemption that would be available to each of them if they were both domiciled in this state during the entire

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SECTION 4

taxable year by a fraction the numerator of which is their joint Wisconsin adjusted gross income and the denominator of which is their joint federal adjusted gross income.

(END)