



2019 ASSEMBLY BILL 133

March 25, 2019 - Introduced by Representatives JAMES, EDMING, BRANDTJEN, BROOKS, FELZKOWSKI, HORLACHER, KULP, KURTZ, MURPHY, MURSAU, PLUMER, QUINN, RAMTHUN, SCHRAA, SINICKI, C. TAYLOR, THIESFELDT, TRANEL, TUSLER and WICHGERS, cosponsored by Senators JACQUE, BERNIER, CARPENTER, FEYEN, JOHNSON, NASS, L. TAYLOR and WANGGAARD. Referred to Committee on Ways and Means.

1 **AN ACT to create** 71.05 (6) (b) 54. and 71.07 (6m) (c) 5. of the statutes; **relating**
2 **to:** creating an individual income tax exemption for military income received
3 by certain members of the U.S. armed forces and sunsetting the armed forces
4 member tax credit.

Analysis by the Legislative Reference Bureau

For taxable years beginning after December 31, 2018, this bill exempts from taxation all military income received from the federal government each year by an individual who is on active duty in the U.S. armed forces. Current law exempts from income taxation all military income received from the federal government by a member of a reserve component of the U.S. armed forces who is called into active federal service or special state service, for the period of time during which the member is on active duty.

Under current law, the armed forces member tax credit allows an active duty member of the U.S. armed forces to claim a nonrefundable individual income tax credit of up to \$300 in military income received each year from the federal government for services performed while the claimant is stationed outside of the United States. Because the credit is nonrefundable, no amount will be paid to the claimant by check if the credit he or she is due exceeds his or her tax liability. Under this bill, no new claims may be made for the credit for taxable years that begin after December 31, 2018.

