

State of Misconsin 2021 - 2022 LEGISLATURE

LRB-5299/1 JK:cjs

2021 SENATE BILL 754

December 17, 2021 – Introduced by Senators PFAFF and LARSON, cosponsored by Representatives Doyle, S. Rodriguez, SNODGRASS, B. MEYERS, ANDERSON, HEBL, VRUWINK, SPREITZER, MILROY, HESSELBEIN, SHELTON, SHANKLAND, SUBECK, OHNSTAD and STUBBS. Referred to Committee on Financial Institutions and Revenue.

1 AN ACT *to amend* 71.07 (6e) (b) and 71.07 (6e) (c) 3.; and *to create* 71.07 (6e) (a) 2 6. of the statutes; **relating to:** allowing renters to claim the veterans and 3 surviving spouses property tax credit.

Analysis by the Legislative Reference Bureau

Under current law, an eligible veteran or surviving spouse may claim a refundable income tax credit equal to the amount of property taxes the claimant paid during the year on his or her principal dwelling in Wisconsin. Current law does not expressly address the treatment of renters. The Department of Revenue allows an eligible veteran or surviving spouse who is a renter to claim the credit if the claimant is required to pay the property taxes under the rental agreement or other written agreement with the landlord and pays the property taxes directly to the municipality.

Under this bill, an eligible veteran or surviving spouse may claim the credit in an amount equal to his or her rent constituting property taxes. The bill defines "rent constituting property taxes" to mean a specified percentage of the rent paid by the claimant during the year for the use of a principal dwelling as housing. The specified percentage is 20 percent if heat is included in the rent and 25 percent if heat is not included.

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:

2021 - 2022 Legislature

SENATE BILL 754

| 1 | SECTION 1. 71.07 (6e) (a) 6. of the statutes is created to read: |
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| 2 | 71.07 (6e) (a) 6. "Rent constituting property taxes" has the meaning given in |
| 3 | sub. (9) (a) 4. |
| 4 | SECTION 2. 71.07 (6e) (b) of the statutes is amended to read: |
| 5 | 71.07 (6e) (b) Filing claims. Subject to the limitations provided in this |
| 6 | subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 |
| 7 | the amount of the claimant's property taxes <u>or rent constituting property taxes</u> . If |
| 8 | the allowable amount of the claim exceeds the income taxes otherwise due on the |
| 9 | claimant's income, the amount of the claim not used as an offset against those taxes |
| 10 | shall be certified by the department of revenue to the department of administration |
| 11 | for payment to the claimant by check, share draft, or other draft from the |
| 12 | appropriation under s. 20.835 (2) (em). |
| 13 | SECTION 3. 71.07 (6e) (c) 3. of the statutes is amended to read: |
| 14 | 71.07 (6e) (c) 3. If an eligible veteran and an eligible spouse file separate |
| 15 | returns, each spouse may claim a credit under this subsection <u>for property taxes</u> |
| 16 | based on their <u>his or her</u> respective ownership interest in the eligible veteran's |
| 17 | principal dwelling <u>or for rent constituting property taxes based on 50 percent of the</u> |
| 18 | total rent constituting property taxes paid during the taxable year for the eligible |
| 19 | veteran's principal dwelling. |
| 20 | SECTION 4. Initial applicability. |
| 21 | (1) This act first applies to taxable years beginning on January 1, 2022. |

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(END)