

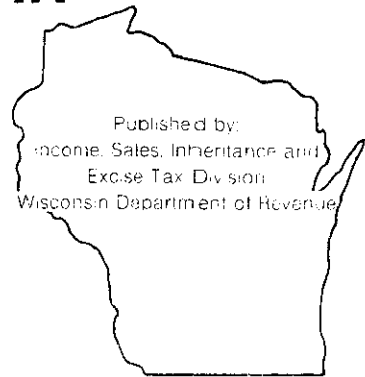
WISCONSIN TAX BULLETIN

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NEW WISCONSIN TAX LAWS

The 1983-85 budget bill (1983 Wisconsin Act 27, published July 1, 1983) recently signed into law by Governor Earl contains a number of changes to the Wisconsin tax laws. This issue of the Wisconsin Tax Bulletin contains brief descriptions of the major income, corporation franchise/income, homestead credit, farmland preservation credit, inheritance, sales/use and excise tax provisions. The description for each subject indicates what sections of the statutes are affected and the effective date of the new provision.

TAX LAW PROVISIONS IN BUDGET BILL

<u>A.</u>	<u>INCOME TAXES</u>	<u>Effective Date</u>	<u>Page Number</u>
1.	Update Internal Revenue Code Reference for 1983 Tax Year	1983 tax year	6
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3.	Indexing Income Tax Brackets	1983 through 1985 tax years-no indexing	8
		1986 tax year-index for CPI increase over 3%	8
4.	Index Standard Deduction	1986 tax year	8
5.	Filing Requirements for Dependents With Unearned Income	1983 tax year	8
6.	Deduction for IRA's - Married Persons With Non-Working Spouse IRA May Divide Total Deduction Between Them	1982 tax year	8
7.	IRA Penalties - 33% of Federal Penalties	July 2, 1983	9
8.	Child Care Credit - 30% of Federal Credit	1984 tax year	9
9.	Property Tax/Rent Credit - Changed from 12% to 10% and Limited to Principal Dwelling	1983 tax year	10
10.	Research Credit - 5% of Qualified Research Expenses	1984 tax year	10

A.	<u>INCOME TAXES (Cont.)</u>	<u>Effective Date</u>	<u>Page Number</u>
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12.	Earned Income Credit - 30% of Federal Credit	1984 tax year	10
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15.	Standard Deduction Allocation for Married Persons if Exceed Allowable Amount	1983 tax year	12
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17.	Endangered Resources Program - Voluntary Payments on Income Tax Returns	1983 tax year	13
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19.	Adoption Expenses - Excess Over 5% of Federal Income	1983 tax year	14
20.	Specify Order for Claiming Credits and Payments on Tax Returns	1983 tax year	14
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10.	License Fee on Utilities Deductible as Taxes	November 11, 1984	19
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12.	Employers Lose Exempt Status or Deductions If They Fail to Provide Certain Health Care Plans	January 1, 1984- employers with uninsured plans	19
		July 1, 1985- employers with 250 or more employes	19
13.	Declaration of Estimated Tax Payment Requirements and Penalties Changed	1984 tax year, except amendments to s. 71.22(10)(a) and (b) are effective for 1983 tax year	20
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15.	Specify Order for Claiming Credits and Payments on Tax Returns	1983 tax year	21
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<u>G. MOTOR FUEL, LIQUOR, BEER, WINE, CIGARETTE, AND TOBACCO PRODUCTS TAXES</u>	<u>Effective Date</u>	<u>Page Number</u>
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