



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1425/1  
MES:kjf

## 2019 BILL

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

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***Analysis by the Legislative Reference Bureau***

This bill increases the maximum individual income tax sliding scale standard deduction (SSSD) by 20.6 percent for each type of income tax filer, and modifies each of the phaseout percentages so they are closer together. These changes first apply to taxable year 2020. The indexing provisions that apply to the current SSSD continue to apply to the new standard deduction amounts.

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.

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

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

**BILL****SECTION 1**

1           71.05 (22) (dp) 1. Except as provided in par. (f), and subject to subd. 2., for  
2 taxable years beginning after December 31, 1999, and before January 1, 2020, the  
3 Wisconsin standard deduction is whichever of the following amounts is appropriate.  
4 For a single individual who has a Wisconsin adjusted gross income of less than  
5 \$10,380, the standard deduction is \$7,200. For a single individual who has a  
6 Wisconsin adjusted gross income of at least \$10,380, the standard deduction is the  
7 amount obtained by subtracting from \$7,200 12 percent of Wisconsin adjusted gross  
8 income in excess of \$10,380 but not less than \$0. For a head of household who has  
9 a Wisconsin adjusted gross income of less than \$10,380, the standard deduction is  
10 \$9,300. For a head of household who has a Wisconsin adjusted gross income of at  
11 least \$10,380, the standard deduction is the amount obtained by subtracting from  
12 \$9,300 22.515 percent of Wisconsin adjusted gross income in excess of \$10,380, but  
13 not less than \$0, until the adjusted gross income amount at which the standard  
14 deduction is equal to the standard deduction for a single individual at the same  
15 adjusted gross income amount. For a head of household who has a Wisconsin  
16 adjusted gross income of more than this amount, the standard deduction shall be  
17 calculated as if the head of household were a single individual. For a married couple  
18 filing jointly that has an aggregate Wisconsin adjusted gross income of less than  
19 \$14,570, the standard deduction is \$12,970. For a married couple filing jointly that  
20 has an aggregate Wisconsin adjusted gross income of at least \$14,570, the standard  
21 deduction is the amount obtained by subtracting from \$12,970 19.778 percent of  
22 aggregate Wisconsin adjusted gross income in excess of \$14,570 but not less than \$0.  
23 For a married individual filing separately who has a Wisconsin adjusted gross  
24 income of less than \$6,920, the standard deduction is \$6,160. For a married  
25 individual filing separately who has a Wisconsin adjusted gross income of at least

**BILL**

1       \$6,920, the standard deduction is the amount obtained by subtracting from \$6,160  
2       19.778 percent of Wisconsin adjusted gross income in excess of \$6,920 but not less  
3       than \$0. The secretary of revenue shall prepare a table under which deductions  
4       under this subdivision shall be determined. That table shall be published in the  
5       department's instructional booklets.

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

7           71.05 (22) (dp) 2. Except as provided in par. (f), for taxable years beginning  
8       after December 31, 2015, and before January 1, 2020, the Wisconsin standard  
9       deduction is whichever of the following amounts is appropriate. For a married couple  
10       filing jointly that has an aggregate Wisconsin adjusted gross income of less than  
11       \$21,360, the standard deduction is \$19,010. For a married couple filing jointly that  
12       has an aggregate Wisconsin adjusted gross income of at least \$21,360, the standard  
13       deduction is the amount obtained by subtracting from \$19,010 19.778 percent of  
14       aggregate Wisconsin adjusted gross income in excess of \$21,360 but not less than \$0.  
15       For a married individual filing separately who has a Wisconsin adjusted gross  
16       income of less than \$10,140, the standard deduction is \$9,030. For a married  
17       individual filing separately who has a Wisconsin adjusted gross income of at least  
18       \$10,140, the standard deduction is the amount obtained by subtracting from \$9,030  
19       19.778 percent of Wisconsin adjusted gross income in excess of \$10,140 but not less  
20       than \$0. The secretary of revenue shall prepare a table under which deductions  
21       under this subdivision shall be determined. That table shall be published in the  
22       department's instructional booklets.

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

24           71.05 (22) (dq) *Deduction limits, 2020 and thereafter.* Except as provided in par.  
25       (f), for taxable years beginning after December 31, 2019, the Wisconsin standard

**BILL****SECTION 3**

1 deduction is whichever of the following amounts is appropriate. For a single  
2 individual who has a Wisconsin adjusted gross income of less than \$18,790, the  
3 standard deduction is \$13,360. For a single individual who has a Wisconsin adjusted  
4 gross income of at least \$18,790, the standard deduction is the amount obtained by  
5 subtracting from \$13,360 12.300 percent of Wisconsin adjusted gross income in  
6 excess of \$18,790 but not less than \$0. For a head of household who has a Wisconsin  
7 adjusted gross income of less than \$18,790, the standard deduction is \$17,260. For  
8 a head of household who has a Wisconsin adjusted gross income of at least \$18,790,  
9 the standard deduction is the amount obtained by subtracting from \$17,260 21.952  
10 percent of Wisconsin adjusted gross income in excess of \$18,790, but not less than \$0,  
11 until the adjusted gross income amount at which the standard deduction is equal to  
12 the standard deduction for a single individual at the same adjusted gross income  
13 amount. For a head of household who has a Wisconsin adjusted gross income of more  
14 than this amount, the standard deduction shall be calculated as if the head of  
15 household were a single individual. For a married couple filing jointly that has an  
16 aggregate Wisconsin adjusted gross income of less than \$27,120, the standard  
17 deduction is \$24,740. For a married couple filing jointly that has an aggregate  
18 Wisconsin adjusted gross income of at least \$27,120, the standard deduction is the  
19 amount obtained by subtracting from \$24,740 19.284 percent of aggregate Wisconsin  
20 adjusted gross income in excess of \$27,120 but not less than \$0. For a married  
21 individual filing separately who has a Wisconsin adjusted gross income of less than  
22 \$12,880, the standard deduction is \$11,750. For a married individual filing  
23 separately who has a Wisconsin adjusted gross income of at least \$12,880, the  
24 standard deduction is the amount obtained by subtracting from \$11,750 19.284  
25 percent of Wisconsin adjusted gross income in excess of \$12,880 but not less than \$0.

**BILL**

1 The secretary of revenue shall prepare a table under which deductions under this  
2 paragraph shall be determined. That table shall be published in the department's  
3 instructional booklets.

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

5 71.05 (22) (dt) *Standard deduction indexing, 2001 and thereafter.* For taxable  
6 years beginning after December 31, 2000, the dollar amounts of the standard  
7 deduction that is allowable under ~~par.~~ pars. (dp) and (dq) and all of the dollar  
8 amounts of Wisconsin adjusted gross income under ~~par.~~ pars. (dp) and (dq) shall be  
9 increased each year by a percentage equal to the percentage change between the U.S.  
10 consumer price index for all urban consumers, U.S. city average, for the month of  
11 August of the previous year and the U.S. consumer price index for all urban  
12 consumers, U.S. city average, for the month of August 1999, as determined by the  
13 federal department of labor, except that for taxable years beginning after December  
14 31, 2011, the adjustment may occur only if the resulting amount is greater than the  
15 corresponding amount that was calculated for the previous year, and except that the  
16 base year for the adjustments to the dollar amounts of the standard deduction and  
17 all of the dollar amounts of Wisconsin adjusted gross income under par. (dp) 2. shall  
18 be 2015, and except that the base year for the adjustments to the dollar amounts of  
19 the standard deduction and all of the dollar amounts of Wisconsin adjusted gross  
20 income under par. (dq) shall be 2019. Each amount that is revised under this  
21 paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is  
22 not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount  
23 shall be increased to the next higher multiple of \$10. The department of revenue  
24 shall annually adjust the changes in dollar amounts required under this paragraph  
25 and incorporate the changes into the income tax forms and instructions.

