



Legislative Fiscal Bureau

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July 20, 2017

TO: Senator Jennifer Shilling
Room 206 South, State Capitol

FROM: Rick Olin, Fiscal Analyst

SUBJECT: Proposal to Eliminate the Alternative Minimum Tax

At your request, the attached table reports the estimated distribution of taxpayers subject to the state's alternative minimum tax (AMT) in tax year 2017. In the 2017-19 biennial budget proposal of the Senate Republicans released July 18, 2017, the state AMT would be repealed effective in tax year 2017. The repeal is included as item #33 on page 225 of the Comparative Summary of Budget Provisions released by this office yesterday.

If you have any questions about this information, please let me know.

RO/lb
Attachment

ATTACHMENT

Estimated Distribution of the Alternative Minimum Tax (AMT) Tax Year 2017

| Wisconsin Adjusted Gross Income | Count | Taxpayers Subject to the AMT | | | Average AMT | Count of All Returns | % of All Returns in AGI Class |
|------------------------------------|--------------|------------------------------|--------------------|-------------------|------------------|----------------------------|-------------------------------------|
| | | Percent of Count | Amount of AMT | Percent of AMT | | | |
| Under \$5,000 | 135 | 7.3% | \$634,919 | 10.5% | 500,493 | 0.03% | |
| 5,000 to 10,000 | 29 | 1.6 | 79,524 | 1.3 | 233,670 | 0.01 | |
| 10,000 to 15,000 | 20 | 1.1 | 32,157 | 0.5 | 192,777 | 0.01 | |
| 15,000 to 20,000 | 25 | 1.3 | 365,369 | 6.0 | 181,362 | 0.01 | |
| 20,000 to 25,000 | 26 | 1.4 | 62,983 | 1.0 | 173,508 | 0.01 | |
| 25,000 to 30,000 | 21 | 1.1 | 69,240 | 1.1 | 167,464 | 0.01 | |
| 30,000 to 40,000 | 45 | 2.4 | 102,240 | 1.7 | 298,429 | 0.02 | |
| 40,000 to 50,000 | 36 | 1.9 | 68,874 | 1.1 | 237,168 | 0.02 | |
| 50,000 to 60,000 | 34 | 1.8 | 69,165 | 1.1 | 183,367 | 0.02 | |
| 60,000 to 70,000 | 25 | 1.3 | 71,340 | 1.2 | 149,220 | 0.02 | |
| 70,000 to 80,000 | 23 | 1.2 | 43,880 | 0.7 | 124,620 | 0.02 | |
| 80,000 to 90,000 | 21 | 1.1 | 97,435 | 1.6 | 105,756 | 0.02 | |
| 90,000 to 100,000 | 16 | 0.9 | 66,862 | 1.1 | 88,971 | 0.02 | |
| 100,000 to 125,000 | 63 | 3.4 | 170,794 | 2.8 | 163,340 | 0.04 | |
| 125,000 to 150,000 | 52 | 2.8 | 144,651 | 2.4 | 95,501 | 0.05 | |
| 150,000 to 200,000 | 120 | 6.5 | 208,532 | 3.5 | 87,513 | 0.14 | |
| 200,000 to 250,000 | 129 | 7.0 | 428,312 | 7.1 | 34,960 | 0.37 | |
| 250,000 to 300,000 | 155 | 8.4 | 258,431 | 4.3 | 17,743 | 0.87 | |
| 300,000 to 500,000 | 643 | 34.7 | 1,135,558 | 18.8 | 25,670 | 2.50 | |
| 500,000 to 1,000,000 | 187 | 10.1 | 747,113 | 12.4 | 13,158 | 1.42 | |
| 1,000,000 and over | 47 | 2.5 | 1,186,986 | 19.6 | 6,146 | 0.76 | |
| Total | 1,852 | 100.0% | \$6,044,365 | 100.0% | 3,080,836 | 0.06% | |

Source: Wisconsin Department of Revenue.