Representative Born
Senator Marklein

GENERAL FUND TAXES

Omnibus Motion
[LFB Papers #325 thru #346]

Motion:

Move to incorporate the following items into the substitute amendment:

1. *Expand 2nd Individual Income Tax Bracket (Paper #325).* Beginning in tax year 2025, increase the amount of taxable income subject to tax at the second marginal rate (4.40%) by: (a) $28,150 for married-joint filers (to $67,300); (b) $21,110 for single/head-of-household filers (to $50,480); and (c) $14,070 for married-separate filers (to $33,650). Estimate reduced individual income tax collections of $323,000,000 in 2025-26 and $320,000,000 in 2026-27.

2. *Retirement Income Exclusion.* Beginning in tax year 2025, create an individual income tax exclusion for the first $24,000 of retirement income currently subject to state tax received by each individual who is at least 67 years of age before the close of the taxable year. For married-joint filers where both spouses have attained age 67, specify that the maximum exclusion equals $48,000. Prohibit a taxpayer who claims this exclusion from claiming any state income tax credits provided under current law in the same tax year. Prohibit nonresidents from claiming the exclusion, and specify that part-year residents may claim the exclusion only for the portion of their income which is sourced to Wisconsin. Define retirement income to include payments or distributions received each year by an individual from a qualified retirement plan under the Internal Revenue Code or from an individual retirement account established under 26 USC 408. Specify that the exclusion does not apply to any retirement income which is already exempt under current law. Estimate reduced individual income tax collections of $395,000,000 in 2025-26 and $300,000,000 in 2026-27.

3. *Adoption Expenses Deduction (Paper #328).* Beginning in tax year 2025, increase the maximum adoption expenses deduction amount from $5,000 to $15,000. Estimate reduced individual income tax collections of $80,000 in 2025-26 and 2026-27. (Modified version of Alternative A1 in Paper #328).

4. *Tax Law Change Interactive Effects (LFB Summary Page 219, #17).* Estimate increased individual income tax collections of $18,000,000 in 2025-26 and $15,000,000 in 2026-27 to reflect the interactive effects of the proposed individual income tax changes under this motion.

5. *Exemption for Information Products Used by Insurers.* Provide an exemption from the state sales and use tax for the sale of information products containing reports, statistics, records, or other data used exclusively by a certified insurance company or a licensed insurance intermediary for purposes of quoting, underwriting, determining insurability, assessing risks, setting rates, or adjusting

claims. This exemption would apply to such items whether: (a) purchased by the insurance company or an affiliate; (b) transferred in tangible or digital form; and (c) charges for such items are made on a transactional basis or through a license, subscription, or similar fee for access to such items. Specify that this provision would take effect on the first day of the third month beginning after publication of the bill. Estimate a reduction in state sales and use tax revenue of $8,000,000 in 2025-26 and $10,900,000 in 2026-27.

6. *Exemption for Telecommunication Towers (Paper #345).* Provide an exemption from telephone company utility taxes and local real property taxes for radio, cellular, and telecommunication towers that are used: (a) exclusively to support equipment that provides telecommunications services; or (b) as digital broadcasting equipment for radio, television, or video service, as defined in s. 66.0420(2)(y) of the statutes. Specify that the modified exemption from the local real property tax first applies to tax assessments as of January 1, 2026, and the exemption from the state telephone company utility tax first applies to tax assessments as of January 1, 2027. Estimate a minimal reduction in state utility tax revenue beginning in 2027-28. (Alternative 2 in Paper #345).

Note:

This motion addresses items described in LFB Papers #325 through #346. A listing of the fiscal effect of each item in this motion is provided in the table below. Other items previously addressed in other motions, such as sum sufficient estimates adopted under Paper #106, are not shown below.

FISCAL EFFECT OF MOTION #44 (Change to Base)

	2025-26	2026-27	Biennium	Fund Source
Expand 2nd Individual Income Tax Bracket	- $323,000,000	- $320,000,000	- $643,000,000	GPR-Tax
Retirement Income Exclusion	-395,000,000	-300,000,000	-695,000,000	GPR-Tax
Adoption Expenses Deduction	-80,000	-80,000	-160,000	GPR-Tax
Interactive Effects	18,000,000	15,000,000	33,000,000	GPR-Tax
Exemption for Information Products Used by Insurers	-8,000,000	-10,900,000	-18,900,000	GPR-Tax
Exemption for Telecommunication Towers	-	-	-	GPR-Tax
Total GPR-Tax	- $708,080,000	- $615,980,000	- $1,324,060,000	