



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-5631/1
JK:cdc&cjs

2023 SENATE BILL 977

January 30, 2024 - Introduced by Senators MARKLEIN, LEMAHIEU, BALLWEG, BRADLEY, CABRAL-GUEVARA, FELZKOWSKI, FEYEN, JAGLER, NASS, QUINN, STROEBEL, TESTIN and WANGGAARD, cosponsored by Representatives KATZMA, BORN, ALLEN, ARMSTRONG, AUGUST, BEHNKE, BINSFELD, BRANDTJEN, DITTRICH, DONOVAN, EDMING, GREEN, GUNDRUM, HURD, KRUG, KURTZ, MACCO, MAGNAFICI, MAXEY, MELOTIK, MOSES, MURPHY, MURSAU, NEDWESKI, O'CONNOR, OLDENBURG, PENTERMAN, PETRYK, PLUMER, RETTINGER, SCHMIDT, SCHRAA, SCHUTT, SNYDER, SORTWELL, SPIROS, STEFFEN, TRANEL, WICHGERS, WITTKKE, ZIMMERMAN and SWEARINGEN. Referred to Joint Committee on Finance.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT to repeal** 71.06 (1), (1m), (1n) and (1p), 71.06 (1q), 71.06 (2) (a) to (h),
2 71.06 (2) (i), 71.06 (2) (j) and 71.06 (2e) (a) and (b); **to amend** 71.06 (1q) (intro.),
3 71.06 (2) (i) (intro.), 71.06 (2) (j) (intro.) and 71.06 (2m); and **to create** 71.06 (1r),
4 71.06 (2) (k), 71.06 (2) (L) and 71.06 (2e) (bm) of the statutes; **relating to:**
5 expansion of the second individual income tax bracket.

Analysis by the Legislative Reference Bureau

This bill expands the second individual income tax bracket as follows:

1. For single individuals, certain fiduciaries, and heads of households, the current law tax rate of 4.40 percent applies to taxable income exceeding \$14,320 but not exceeding \$112,500. Under current law, as adjusted for inflation, the second tax bracket for single individuals, certain fiduciaries, and heads of households applies to taxable income exceeding \$14,320 but not exceeding \$28,640.

2. For married persons filing a joint return, the 4.40 percent tax rate applies to taxable income exceeding \$19,090 but not exceeding \$150,000. Under current law, as adjusted for inflation, the second tax bracket for married persons filing a joint return applies to taxable income exceeding \$19,090 but not exceeding \$38,190.

3. For married persons filing separate returns the 4.40 percent tax rate applies to taxable income exceeding \$9,550 but not exceeding \$75,000. Under current law, as adjusted for inflation, the second tax bracket for married persons filing separate returns applies to taxable income exceeding \$9,550 but not exceeding \$19,090.

Under current law, there are four income tax brackets for single individuals, certain fiduciaries, heads of households, and married persons, and the brackets are

SENATE BILL 977

indexed for inflation. The rate of taxation under current law for the lowest bracket for single individuals, certain fiduciaries, heads of households, and married persons is 3.50 percent of taxable income. The rate for the second bracket is 4.40 percent. The rate for the third bracket is 5.3 percent. And the rate for the highest bracket is 7.65 percent.

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:

1 **SECTION 1.** 71.06 (1), (1m), (1n) and (1p) of the statutes are repealed.

2 **SECTION 2.** 71.06 (1q) (intro.) of the statutes is amended to read:

3 71.06 **(1q)** FIDUCIARIES, SINGLE INDIVIDUALS, AND HEADS OF HOUSEHOLDS; ~~AFTER~~
4 2012 TO 2023. (intro.) The tax to be assessed, levied, and collected upon the taxable
5 incomes of all fiduciaries, except fiduciaries of nuclear decommissioning trust or
6 reserve funds, and single individuals and heads of households shall be computed at
7 the following rates for taxable years beginning after December 31, 2012, and before
8 January 1, 2024:

9 **SECTION 3.** 71.06 (1q) of the statutes, as affected by 2023 Wisconsin Acts 19 and
10 ...(this act), is repealed.

11 **SECTION 4.** 71.06 (1r) of the statutes is created to read:

12 71.06 **(1r)** FIDUCIARIES, SINGLE INDIVIDUALS, AND HEADS OF HOUSEHOLD; AFTER 2023.
13 The tax to be assessed, levied, and collected upon the taxable incomes of all
14 fiduciaries, except fiduciaries of nuclear decommissioning trust or reserve funds, and
15 single individuals and heads of households shall be computed at the following rates
16 for taxable years beginning after December 31, 2023:

17 (a) On all taxable income from \$0 to \$14,320, 3.50 percent.

SENATE BILL 977

1 (b) On all taxable income exceeding \$14,320 but not exceeding \$112,500, 4.40
2 percent.

3 (c) On all taxable income exceeding \$112,500 but not exceeding \$315,310, 5.30
4 percent.

5 (d) On all taxable income exceeding \$315,310, 7.65 percent.

6 **SECTION 5.** 71.06 (2) (a) to (h) of the statutes are repealed.

7 **SECTION 6.** 71.06 (2) (i) (intro.) of the statutes is amended to read:

8 71.06 (2) (i) (intro.) For joint returns, for taxable years beginning after
9 December 31, 2012, and before January 1, 2024:

10 **SECTION 7.** 71.06 (2) (i) of the statutes, as affected by 2023 Wisconsin Acts 19
11 and ... (this act), is repealed.

12 **SECTION 8.** 71.06 (2) (j) (intro.) of the statutes is amended to read:

13 71.06 (2) (j) (intro.) For married persons filing separately, for taxable years
14 beginning after December 31, 2012, and before January 1, 2024:

15 **SECTION 9.** 71.06 (2) (j) of the statutes, as affected by 2023 Wisconsin Acts 19
16 and ... (this act), is repealed.

17 **SECTION 10.** 71.06 (2) (k) of the statutes is created to read:

18 71.06 (2) (k) For joint returns, for taxable years beginning after December 31,
19 2023:

20 1. On all taxable income from \$0 to \$19,090, 3.50 percent.

21 2. On all taxable income exceeding \$19,090 but not exceeding \$150,000, 4.40
22 percent.

23 3. On all taxable income exceeding \$150,000 but not exceeding \$420,420, 5.30
24 percent.

25 4. On all taxable income exceeding \$420,420, 7.65 percent.

SENATE BILL 977**SECTION 11**

1 **SECTION 11.** 71.06 (2) (L) of the statutes is created to read:

2 71.06 (2) (L) For married persons filing separately, for taxable years beginning
3 after December 31, 2023:

4 1. On all taxable income from \$0 to \$9,550, 3.50 percent.

5 2. On all taxable income exceeding \$9,550 but not exceeding \$75,000, 4.40
6 percent.

7 3. On all taxable income exceeding \$75,000 but not exceeding \$210,210, 5.30
8 percent.

9 4. On all taxable income exceeding \$210,210, 7.65 percent.

10 **SECTION 12.** 71.06 (2e) (a) and (b) of the statutes are repealed.

11 **SECTION 13.** 71.06 (2e) (bm) of the statutes is created to read:

12 71.06 (2e) (bm) For taxable years beginning after December 31, 2024, the
13 maximum dollar amount in each tax bracket, and the corresponding minimum dollar
14 amount in the next bracket, under subs. (1r) and (2) (k) and (L), shall be increased
15 each year by a percentage equal to the percentage change between the U.S. consumer
16 price index for all urban consumers, U.S. city average, for the month of August of the
17 previous year and the U.S. consumer price index for all urban consumers, U.S. city
18 average, for the month of August 2023, as determined by the federal department of
19 labor, except that the adjustment may occur only if the resulting amount is greater
20 than the corresponding amount that was calculated for the previous year.

21 **SECTION 14.** 71.06 (2m) of the statutes is amended to read:

22 71.06 (2m) RATE CHANGES. If a rate under sub. (1), (1m), (1n), (1p), (1q), (1r) or
23 (2) (k) or (L) changes during a taxable year, the taxpayer shall compute the tax for
24 that taxable year by the methods applicable to the federal income tax under section
25 15 of the Internal Revenue Code.

SENATE BILL 977**1 SECTION 15. Nonstatutory provisions.**

2 (1) INDIVIDUAL INCOME TAX WITHHOLDING TABLE ADJUSTMENTS. No later than July
3 1, 2024, the department of revenue shall update the individual income tax
4 withholding tables under s. 71.64 (9) to reflect the tax rates, brackets, and sliding
5 scale standard deduction that are in effect for taxable year 2024. The adjustments
6 made under this subsection to the withholding tables shall take effect on July 1,
7 2024.

8 **SECTION 16. Effective dates.** This act takes effect on the day after publication,
9 except as follows:

10 (1) The repeal of s. 71.06 (1q), (2) (i) and (j), and (2e) (a) and (b) takes effect on
11 January 1, 2029.

12 (END)