State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-6179/1
EKL&MJW:skw

2025 SENATE BILL 929

February 6, 2026 - Introduced by Senators JAMES, JACQUE, FEYEN and TESTIN, cosponsored by Representatives FRANKLIN, PENTERMAN, BEHNKE, KREIBICH, MOSES, MURSAU, TUCKER, WICHGERS, ANDRACA, SINICKI, ALLEN, DITTRICH, GOEBEN, STUBBS and KNODL. Referred to Committee on Natural Resources, Veteran and Military Affairs.

AUTHORS SUBJECT TO CHANGE

AN ACT ***to create*** 71.05 (6) (b) 57. of the statutes; **relating to:** subtraction for certain income of members of the National Guard and Reserves.

Analysis by the Legislative Reference Bureau

This bill creates an income tax subtraction for the amount of income or compensation received for federally required drills and field exercises by an individual who is a member of the National Guard or a reserve component of the U.S. armed forces and the compensation received by a member of a reserve component of the U.S. armed forces for inactive-duty training. The bill's provision applies to taxable years beginning after December 31, 2025.

Current law provides an income tax subtraction for military income received by a member of a reserve component of the U.S. armed forces who is called into specified active federal service or special state service. Current law also provides an income tax subtraction for military income received by an individual who is on active duty in the U.S. armed forces.

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.

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

SECTION 1. 71.05 (6) (b) 57. of the statutes is created to read:

71.05 **(6)** (b) 57. For taxable years beginning after December 31, 2025, any amount of basic pay income received under 37 USC 204 (a) (2) by a member of the national guard or a reserve component of the U.S. armed forces and any amount of inactive-duty training compensation, as provided pursuant to 37 USC 206 or 206a, received by a member of a reserve component of the U.S. armed forces, to the extent that such income is not otherwise subtracted under this paragraph.

(END)