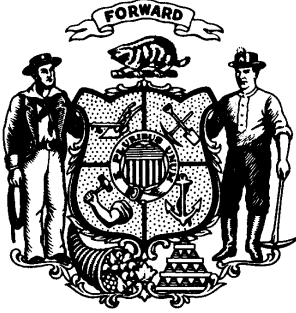


State of Wisconsin



2025 Assembly Bill 685

Date of enactment:
Date of publication*:

2025 WISCONSIN ACT

AN ACT to create 71.05 (6) (a) 30. and 71.05 (6) (b) 57. of the statutes; **relating to:** individual income tax subtraction for losses due to financial exploitation.

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

SECTION 1. 71.05 (6) (a) 30. of the statutes is created to read:

71.05 (6) (a) 30. The amount received during the taxable year that is a recovery, reimbursement, or compensation of an amount previously subtracted from income under par. (b) 57.

SECTION 2. 71.05 (6) (b) 57. of the statutes is created to read:

71.05 (6) (b) 57. For taxable years beginning after December 31, 2023, the amount lost from the individual's financial account due to financial exploitation, as defined in s. 46.90 (1) (ed). The amount subtracted under this subdivision may not exceed the amount lost that

was otherwise subject to tax under this subchapter, and no amount may be subtracted under this subdivision unless the withdrawal or disbursement of the lost funds from the financial account resulted in the funds being included in the individual's gross income for federal income tax purposes. For purposes of this subdivision, financial exploitation is considered to occur if it was reported to law enforcement officials and there is no reasonable prospect of recovery of the loss through legal action, insurance claim, or other compensation. Amounts allowed under this subdivision may be subtracted in the taxable year in which the withdrawal or disbursement of the lost funds occurred. Any amount subtracted under this subdivision may not be deducted or excluded from income, or claimed as a credit, under any other provision in this chapter.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."