



Wisconsin Tax Information for Retirees

Includes Information on:

- Who Must File
- Provisions Affecting Retirees
- Various Wisconsin Taxes
- 2024 Tax Rates

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IMPORTANT CHANGES

Use this publication in preparing your 2024 tax return. There are no substantive differences between this version of the publication and the previous version (2/24).

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of January 28, 2025: chs. 71 and 77, Wis. Stats., secs. Tax 2.94, 3.085, and 3.095, Wis. Adm. Code, and sec. 213, IRC.

Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date, that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.

1. INTRODUCTION

This publication includes Wisconsin tax information of special interest to retirees, such as the tax treatment of retirement benefits, various credits and deductions allowable, and the different types of Wisconsin tax.

2. WHO MUST FILE A WISCONSIN INCOME TAX RETURN

You must file a 2024 Wisconsin income tax return if:

Filing status is:	Age as of December 31, 2024 was:	Gross income (or total gross income of both spouses) during 2024 was:
Single	Under 65	\$13,930 or more
	65 or older	\$14,180 or more
Married – filing joint return	Both spouses under 65	\$25,890 or more
	One spouse 65 or older	\$26,140 or more
	Both spouses 65 or older	\$26,390 or more
Married – filing separate return	Under 65	\$12,330 or more (applies to each spouse individually)
	65 or older	\$12,580 or more (applies to each spouse individually)
Head of household	Under 65	\$17,790 or more
	65 or older	\$18,040 or more

If you are a part-year resident or nonresident of Wisconsin, you must file a Wisconsin income tax return if your gross income (or combined gross income of you and your spouse) is \$2,000 or more for 2024.

Gross income includes all income (before deducting expenses) reportable to Wisconsin which is received in the form of money, property, or services. It does not include items which are exempt from Wisconsin tax. For example, it does not include social security benefits or U.S. government interest.

3. PROVISIONS WHICH MAY AFFECT RETIREES

A. Social Security and Railroad Retirement Benefits

Social security and railroad retirement benefits are not taxable for Wisconsin.

B. Pensions and Annuities

Generally, the amount of your pension and annuity income that is taxable for federal purposes is taxable for Wisconsin if you are a full-year resident of Wisconsin. However, retirement benefits received on the account of a person who was a member of the Wisconsin State Teachers Retirement System, certain Milwaukee city and county retirement systems, or the federal Civil Service Retirement System as of December 31, 1963, are exempt from Wisconsin income tax. In addition, all retirement payments received from the U.S. military retirement system (paid by the Defense Finance and Accounting Services) and from the U.S. government that relate to service with the Coast Guard, the commissioned corps of the National Oceanic and Atmospheric Administration, or the commissioned corps of the Public Health Service are exempt from Wisconsin income tax. Also see "Retirement Income Subtraction" below.

Note: If you worked in Wisconsin but are now a resident of another state, payments you receive from a *nonqualified* pension or annuity or a *nonqualified* deferred compensation plan are taxable by Wisconsin unless (1) the distribution is paid out in annuity form over your life expectancy or for a period of not less than 10 years, or (2) the distribution is paid in either an annuity form or lump-sum from arrangements known commonly as "mirror plans." Payments from a *qualified* plan are not taxable for Wisconsin when received by a nonresident, even though the payments may be attributable to services performed in Wisconsin.

C. Retirement Income Subtraction

Up to \$5,000 of certain retirement income may be subtracted from Wisconsin income if:

- You (or your spouse if married filing a joint return) were age 65 or older on December 31, 2024, and
- Your federal adjusted gross income (FAGI) is less than \$15,000. If married, combined FAGI must be less than \$30,000, whether filing jointly or separately.

D. Additional Personal Exemption Deduction

Persons age 65 or older on December 31, 2023, are allowed an additional personal exemption deduction of \$250.

E. Homestead Credit

Retirees age 62 or older or who are disabled and are full-year residents of Wisconsin may qualify for homestead credit if they meet certain conditions. Homestead credit provides direct relief to homeowners and renters. One of the qualifications is that your total household income (both taxable and nontaxable income) must be below \$24,680 for 2024. If under age 62 and not disabled, you must have earned income to qualify for the credit.

F. Estimated Tax Payments

If you have income from which Wisconsin tax is not withheld (for example, interest, pension, or annuity income), you may be required to prepay your tax in installments. Generally, you must pay estimated tax if your tax return will show a balance due of \$500 or more. You may be subject to an interest charge if you do not make required payments of estimated tax.

4. MEDICAL AND DENTAL EXPENSES

A. Medical Care Insurance

You may be able to subtract all or a portion of the cost of your medical care insurance. "Medical care insurance" means a medical care insurance policy that covers you, your spouse, and dependents and provides surgical, medical, hospital, major medical, or other health service coverage (including dental insurance). If you are receiving social security benefits, the amount paid for medical care insurance includes the amount deducted from your monthly benefit for Medicare insurance (for example, Parts B and D).

Note: Do not include premiums for medical care or long-term care insurance if you elected to pay those premiums with tax-free distributions from a retirement plan. In this case, the premiums would have been made directly to the insurance provider by the retirement plan.

B. Long-Term Care Insurance

If you paid long-term care insurance costs during 2024, you may be able to subtract all or a portion of the cost of a long-term care insurance policy which covers you or your spouse. "Long-term care insurance policy" means a disability insurance policy or certificate advertised, marketed, offered, or designed primarily to provide coverage for care that is provided in your home or in an institutional or community-based setting. The care must be convalescent or custodial care or care for a chronic condition or terminal illness.

Note: Do not include premiums for long-term care insurance if you elected to pay those premiums with tax-free distributions from a retirement plan. In this case, the premiums would have been made directly to the insurance provider by the retirement plan.

C. Medical and Dental Expenses

For federal tax purposes, you can deduct certain medical and dental expenses you paid for yourself, your spouse, and your dependents if you itemize your deductions on federal Schedule A (Form 1040). You may deduct the amount of your medical and dental expenses that are more than 7.5% of your adjusted gross income. For Wisconsin purposes, the amount of medical and dental expenses that may be claimed on the Wisconsin itemized deduction credit must be more than 7.5% of your adjusted gross income.

Note:

- If you do not itemize your deductions for federal purposes, you may still be able to take the Wisconsin itemized deduction credit. In order to take this credit, prepare a federal Schedule A (Form 1040), write "Wisconsin" at the top, and include a copy with your Wisconsin return.
- The amount of medical care insurance and long-term care insurance claimed as a subtraction from Wisconsin income may not be used to compute medical and dental expenses for purposes of the Wisconsin itemized deduction credit.

5. DESCRIPTIONS OF WISCONSIN TAXES

Nonresidents of Wisconsin who are considering moving to Wisconsin after retirement frequently ask about Wisconsin taxes that may affect them. Following are brief descriptions of the major Wisconsin taxes which affect individuals.

A. Sales Tax

The Wisconsin sales tax rate is 5%. In addition, most of Wisconsin’s 72 counties have adopted a 0.5% sales tax and the city and county of Milwaukee have special sales tax rates. See the [Sales Tax Rate Chart](#) for a complete list of local sales and use tax rates and their effective dates. Details on the Milwaukee County and city of Milwaukee sales taxes can be found in [Fact Sheet 2414](#).

Some items are exempt from the sales tax, such as groceries purchased for home preparation of meals, prescription medications, newspapers, and most subscription sales of magazines.

B. Individual Income Tax

The following schedules show the individual income tax rates for full-year Wisconsin residents for 2024.

2024 Tax Rate Schedules

Schedule A - For Single Taxpayers or Head of Household				
If Taxable Income Is:		The Gross Tax Is:		
over –	but not over –			of the amount over –
\$ 0	\$ 14,320		3.50%	\$ 0
14,320	28,640	\$ 501.20	+ 4.40%	14,320
28,640	315,310	1,131.28	+ 5.30%	28,640
315,310		16,324.79	+ 7.65%	315,310

Schedule B - For Married Taxpayers Filing Jointly				
If Taxable Income Is:		The Gross Tax Is:		
over –	but not over –			of the amount over –
\$ 0	\$ 19,090		3.50%	\$ 0
19,090	38,190	\$ 668.15	+ 4.40%	19,090
38,190	420,420	1,508.55	+ 5.30%	38,190
420,420		21,766.74	+ 7.65%	420,420

Schedule C - For Married Taxpayers Filing Separately				
If Taxable Income Is:		The Gross Tax Is:		
over –	but not over –			of the amount over –
\$ 0	\$ 9,550		3.50%	\$ 0
9,550	19,090	\$ 334.25	+ 4.40%	9,550
19,090	210,210	754.01	+ 5.30%	19,090
210,210		10,833.37	+ 7.65%	210,210

Note: Nonresidents and part-year residents of Wisconsin must prorate the levels of income to which the tax rates apply by the ratio of their Wisconsin income to FAGI.

Wisconsin taxable income is FAGI with certain adjustments. The Wisconsin standard deduction reduces taxable income. Various credits are available which reduce the tax.

C. Real Estate Tax

The rate of taxation varies with each municipality. You can obtain specific information on the tax rate by contacting the treasurer of the city, village, or town in which you are interested in locating.

D. Estate and Gift Tax

There is no Wisconsin estate or gift tax.

6. ADDITIONAL INFORMATION

If you have additional questions or need copies of tax forms, you may visit any [Department of Revenue office](#) or:

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Email . . . DORIncome@wisconsin.gov
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