

2001 DRAFTING REQUEST**Assembly Amendment (AA-ASA1-SB55)**Received: **06/21/2001**Received By: **shoveme**Wanted: **As time permits**

Identical to LRB:

For: **Spencer Black (608) 266-7521**By/Representing: **Susan McMurray**This file may be shown to any legislator: **NO**Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Tax - individual income**

Extra Copies:

Submit via email: **YES**Requester's email: **Rep.Black@legis.state.wi.us**

Pre Topic:

No specific pre topic given

Topic:

CN7: Child care tax credit

Instructions:

See Attached; AB 160, LRB -0412

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 06/21/2001	jdyer 06/22/2001		_____			
/1			kfollet 06/26/2001	_____	lrb_docadmin 06/26/2001	lrb_docadmin 06/26/2001	

FE Sent For:

<END>

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11	shoveme	1/22 jld	kyl 6/26	Ben 6/26			
11 MES 6/21/01							

FE Sent For:

<END>

Assembly Democrat Budget Amendment Requests

Request Number: 7
(not LRB number)

Agency: DOR

Description: Child Care Tax Credit

Attachments: AB 160

Cost (if known):

Contact person: Susan McMurray, 266-7521, Representative Black's Office

recent increase in fed credit - ?

*MES
b 145-D*

2001

Date (time) needed _____

LRB b 1450, 1

(RM NR)

**ADC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

MES: jld: _____

See form **AMENDMENTS — COMPONENTS & ITEMS.**

*LPS -
Fix request
sheet*

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 SENATE BILL 55**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

#. Page 735, line 20 after that line insert *(↓)*

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

~~#. Page , line :~~

2001 ASSEMBLY BILL 160

March 1, 2001 – Introduced by Representatives BLACK, MUSSER, PLOUFF, J. LEHMAN, MORRIS-TATUM, LA FAVE, SHILLING, MILLER, MEYERHOFFER, BERCEAU, TURNER, WASSERMAN, POCAN and BOCK, cosponsored by Senators ROBSON, RISSER, PLACHE, GEORGE, M. MEYER, BURKE, ROESSLER, BAUMGART and HANSEN. Referred to Committee on Ways and Means.

- 1 **AN ACT to create** 71.07 (6e) and 71.10 (4) (ce) of the statutes; **relating to:**
 2 creating a nonrefundable individual income tax credit for certain expenses
 3 related to child or dependent care.

Analysis by the Legislative Reference Bureau

Under current federal law there is an individual income tax credit for a portion of qualifying child or dependent care expenses that are paid for the purpose of enabling a taxpayer to be gainfully employed. An eligible claimant must maintain a household for a "qualifying individual," which is defined as a dependent under the age of 13, a disabled spouse, or another disabled individual who is a dependent of the taxpayer. The federal credit is nonrefundable, meaning that no refund is paid if the amount of the credit exceeds the taxpayer's tax liability. The maximum credit is \$720 if the taxpayer has one qualifying individual or \$1,440 if the taxpayer has more than one qualifying individual.

This bill creates a nonrefundable individual income tax credit that is equal to 50% of the amount that is claimed by an individual under this federal credit.

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:



ASSEMBLY BILL 160

2148m X
SECTION 1. 71.07 (6e) of the statutes is created to read:

71.07 (6e) CHILD AND DEPENDENT CARE EXPENSES CREDIT. (a) *Definitions*. In this subsection:

1. "Claimant" means an individual who is eligible for, and claims, the federal credit.

2. "Federal credit" means the federal tax credit, for expenses for household and dependent care services necessary for gainful employment, under section 21 of the Internal Revenue Code.

(b) *Filing claims*. Subject to the limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02, up to the amount of those taxes, an amount equal to 50% of the amount of the credit claimed by the claimant under the federal credit in the year to which the claim relates.

(c) *Limitations*. 1. No credit may be allowed under this subsection unless it is claimed within the time period under s. 71.75 (2).

2. For a claimant who is a nonresident or part-year resident of this state and who is a single person or a married person filing a separate return, multiply the credit for which the claimant is eligible under par. (b) by a fraction the numerator of which is the individual's Wisconsin adjusted gross income and the denominator of which is the individual's federal adjusted gross income. If a claimant is married and files a joint return, and if the claimant or the claimant's spouse, or both, are nonresidents or part-year residents of this state, multiply the credit for which the claimant is eligible under par. (b) by a fraction the numerator of which is the couple's joint Wisconsin adjusted gross income and the denominator of which is the couple's joint federal adjusted gross income.

↓

ASSEMBLY BILL 160

Subsection

1 (d) Administration. ~~Section 71.07~~ (9e) (d), to the extent that it applies to the
2 credit under that subsection, applies to the credit under this subsection. //

#. Page 737, line 24: after that line insert:
3 "SECTION 2. 71.10 (4) (ce) of the statutes is created to read:

4 71.10 (4) (ce) The child and dependent expenses care credit under s. 71.07 (6e). //

SECTION 3. Initial applicability

#. Page 1403, line 15: after that line insert:
6 "(4) (c) This section first applies to taxable years beginning on January 1 of the year

7 in which this subsection takes effect, except that if this subsection takes effect after
8 July 31 ~~this act~~ first applies to taxable years beginning on January 1 of the year
9 following the year in which this subsection takes effect. //

(END)

treatment of sections 71.07(6e) and
71.10 (4)(ce) of the statutes

of the statutes

Child and dependent care expenses credit.

CS