

Halverson, Vicky

From: Grabarski, Jane [wifairs@maqs.net]

Sent: Wednesday, March 05, 2003 7:52 AM

To: rep.lehman@legis.state.wi.us; rep.wood@legis.state.wi.us; rep.nass@legis.state.wi.us;
rep.hahn@legis.state.wi.us; rep.lasse@legis.state.wi.us; rep.jeskewitz@legis.state.wi.us;
rep.kerkman@legis.state.wi.us; rep.lothian@legis.state.wi.us

Subject: AB 28 - Support out of committee

Dear Honorable Representatives Lehman, Wood, Nass, Hahn, Lasee, Jeskewitz, Kekeerman and Lothian:

I urge your support in approving the movement of Assembly Bill 28 out of committee at the Ways and Means committee.

The increase in exemption from state income tax withholding requirement for employees of county fair associations from the current \$100 to \$300 would certainly help all of our 76 member fairs.

This is especially important now that there is a proposal to eliminate all fair premium reimbursements to fairs beginning with the coming fair season.

Thank you for your consideration of our request on behalf of all 76 county fairs of Wisconsin.

Jane L. Grabarski
Wisconsin Association of Fairs
985 County Road A
Grand Marsh WI 53936-9509
608-584-5327 FAX 608-584-4796
e-mail wifairs@maqs.net

Re: Frank Lasee question
on AB 28 - Gunderson bill

Halverson, Vicky

From: Gates-Hendrix, Sherrie
Sent: Tuesday, March 11, 2003 8:30 AM
To: Halverson, Vicky
Subject: FW: withholding from wages for income taxes

Hi Vicky -- just FYI

-----Original Message-----

From: Gates-Hendrix, Sherrie
Sent: Monday, March 10, 2003 3:28 PM
To: Rep.WoodJ
Subject: withholding from wages for income taxes

Rep. Wood --

You inquired at last week's Ways and Means hearing about whether there might be some way to have fewer low-income employees have state taxes withheld from their income if they are in the situation of filing their returns in April and receiving all the withholding back as a tax refund.

I reviewed the withholding form that new employees fill out when they are hired (the WT-4 Form) to see what our current instructions in this area are. Here's a link to the WT-4 for your reference: <http://www.dor.state.wi.us/forms/2000/00w-204.pdf>

Line 3 of this form, which allows an employee to claim an exemption from withholding, sets two conditions for claiming an exemption from withholding. (1) You may claim exemption from withholding of Wisconsin income tax if you had no liability for income last year and (2) You anticipate that you will incur no liability for income tax this year.

This ability for an employee to exempt him or herself from all tax withholding is available to all employees who qualify. Since this option seems to give pretty broad ability for those who don't expect to have a tax liability to avoid withholding, I'm wondering if this provision addresses your concern?

If you'd like to discuss this issue further, let me know and perhaps we can set up a time to discuss in more detail.

It was nice to meet you last week. Please call or email if you'd like to talk about this or any other DOR issue.

Thanks.

Sherrie Gates-Hendrix
DOR Legislative Liaison
267-1262

Employee's Wisconsin Withholding Exemption Certificate/New Hire Reporting

WT-4

Employee's Section

Employee's Name (last, first, middle initial)		Social Security Number		Date of Birth
Employee's address (number and street)		City	State	Zip Code
<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note: If married, but legally separated, check the Single box.				Date of Hire

FIGURE YOUR TOTAL WITHHOLDING EXEMPTIONS BELOW

Complete Lines 1 through 3 only if your Wisconsin exemptions are different than your federal allowances.

1. (a) Exemption for yourself – enter 1
 - (b) Exemption for your spouse – enter 1
 - (c) Exemption(s) for dependent(s) – you are entitled to claim an exemption for each dependent
 - (d) Total – add lines (a) through (c)
2. Additional amount per pay period you want deducted (if your employer agrees)
3. I claim complete exemption from withholding (see instructions). Enter "Exempt"

I CERTIFY that the number of withholding exemptions claimed on this certificate does not exceed the number to which I am entitled. If claiming complete exemption from withholding, I certify that I incurred no liability for Wisconsin income tax for last year and that I anticipate that I will incur no liability for Wisconsin income tax for this year.

Signature _____ Date Signed _____

EMPLOYEE INSTRUCTIONS:

- **WHO MUST FILE:**
Every employee is required to file a completed Form WT-4 with each of his or her employers unless the employee claims the same number of withholding exemptions for Wisconsin withholding tax purpose as for federal withholding tax purpose. Form WT-4 (or federal Form W-4 if a Form WT-4 is not filed) will be used by your employer to determine the amount of Wisconsin income tax to be withheld from your paychecks. If you have more than one employer, you should claim a smaller number or no exemptions on each Form WT-4 filed with employers other than your principal employer so that the total amount withheld will be closer to your actual income tax liability.
Your employer may also require you to complete this form to report your hiring to the Department of Workforce Development.
You may file a new Form WT-4 any time you wish to change the amount of withholding from your paychecks, providing the number of exemptions you claim does not exceed the number you are entitled to claim.
- **UNDER WITHHOLDING:**
If sufficient tax is not withheld from your wages, you may incur additional interest charges under the tax laws. In general, 90% of the net tax shown on your income tax return should be withheld.
- **OVER WITHHOLDING:**
If you are using Form WT-4 to claim the maximum number of exemptions to which you are entitled and your withholding exceeds your expected income tax liability, you may use Form WT-4A to minimize the over withholding.
- **WHEN TO FILE IF YOUR EXEMPTIONS CHANGE:**
You must file a new certificate within 10 days if the number of exemptions previously claimed by you DECREASES.
You may file a new certificate at any time if the number of your exemptions INCREASES.

• HOW TO COMPLETE FORM WT-4

- Clearly print your full name (last, first, middle initial), address, social security number and date of birth.**
- **LINE 1:**
(a)-(c) Number of exemptions — Do not claim more than the correct number of exemptions. If you expect to owe more income tax for the year than will be withheld if you claim every exemption to which you are entitled, you may increase your withholding by claiming a smaller number of exemptions on lines 1(a)-(c) or you may enter into an agreement with your employer to have additional amounts withheld (see instruction for line 2).
(c) Dependents — Those persons who qualify as your dependents for federal income tax purposes may also be claimed as dependents for Wisconsin purposes. The term "dependents" does not include you or your spouse. Indicate the number of dependents that you are claiming in the space provided.
 - **LINE 2:**
Additional withholding — If you have claimed "zero" exemptions on line 1, but still expect to have a balance due on your tax return for the year, you may wish to request your employer to withhold an additional amount of tax for each pay period. If your employer agrees to this additional withholding, enter the additional amount you want deducted from each of your paychecks on line 2.
 - **LINE 3:**
Exemption from withholding — You may claim exemption from withholding of Wisconsin income tax if you had no liability for income tax for last year, and you anticipate that you will incur no liability for income tax for this year. You may not claim exemption if your return shows tax liability before the allowance of any credit for income tax withheld. If you are exempt, your employer will not withhold Wisconsin income tax from your wages.
You must revoke this exemption (1) within 10 days from the time you anticipate you will incur income tax liability for the year or (2) on or before December 1 if you anticipate you will incur Wisconsin income tax liabilities for the next year. If you want to stop or are required to revoke this exemption, you must file a new Form WT-4 with your employer showing the number of withholding exemption you are entitled to claim. This certificate for exemption from withholding will expire on April 30 of next year unless a new Form WT-4 is filed before that date.

Employer's Section

Employer's Name		Federal Employer ID Number	
Employer's payroll address (number and street)	City	State	Zip Code

EMPLOYER INSTRUCTIONS for Department of Revenue:

- If you do not have a Federal Employer Identification Number (FEIN), contact the Internal Revenue Service to obtain a FEIN.
- If the employee has claimed more than 10 exemptions OR has claimed complete exemption from withholding and earns more than \$200.00 a week or is believed to have claimed more exemptions than he or she is entitled to, mail a copy of this certificate to: Wisconsin Department of Revenue, Audit Bureau, P.O. Box 8906, Madison, WI 53708 or fax (608)-267-0834.
- Keep a copy of this certificate with your records. If you have questions about the Department of Revenue requirements, call (608) 266-8646 or (608) 266-2776.

EMPLOYER INSTRUCTIONS for New Hire Reporting:

- This report contains the required information for reporting New Hire to Wisconsin. Mail the original form to the Department of Workforce Development, New Hire Reporting, PO Box 14431, Madison, WI 53714-0431 or fax toll free to 1-800-277-8075.
- If you are reporting New Hires electronically, you do not need to forward a copy of this report to Department of Workforce Development.
- If you have questions about New Hire requirements, call toll free (888) 300-HIRE (888-300-4473).

Vote Record

Committee on Ways and Means

Date: 4/2/03

Moved by: Kerkman

Seconded by: Morris

AB 28

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment _____

AR _____

SR _____

Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
- Introduction Rejection Tabling Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Michael Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jeffrey Wood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Stephen Nass	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Eugene Hahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Frank Lasee	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Suzanne Jeskewitz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Samantha Kerkman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Thomas Lothian	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Wayne Wood	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Pedro Colon	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Terese Berceau	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Robert Ziegelbauer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Johnnie Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Tom Hebl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 12 _____ 2 _____

Motion Carried

Motion Failed

Assembly Republican Majority Bill Summary

AB 134: Tax Withholding for County Fair Association Employees

Relating to: the amount of the exemption from income tax withholding requirements for employees of a county fair association.

By Representatives Gunderson, Ladwig, Freese, Nass, Musser, Olsen, Wade, Lassa, Starzyk, Ainsworth, Albers, J. Fitzgerald, Grothman, Hahn, Huber, Kedzie, Krawczyk, J. Lehman, M. Lehman, Vrakas, Townsend, Kestell, Jeskewitz, Lippert, Ott, Owens, Powers, Plouff, Seratti, Stone, Sykora and Williams; cosponsored by Senators M. Meyer, Decker, Farrow, Huelsman, Robson, Breske, Baumgart, Wirch, Schultz, Plache, Shibilski, Roessler and S. Fitzgerald.

Date: January 31st, 2002

BACKGROUND

Under current law, an employer must withhold from an employee's wages an amount as determined by the Department of Revenue. Current law exempts from this withholding requirement any county fair association, with regard to an employee who receives less than \$100 annually in wages or salary from the association.

SUMMARY OF AB 134

Under Assembly Bill 134, the exemption amount for this provision is increased to \$300 annually.

FISCAL EFFECT

A fiscal estimate prepared by the Department of Revenue indicates that this proposal would not have a significant effect on state income tax revenues or associated costs incurred by the Department of Revenue.

PROS

1. This proposal would greatly reduce a county fair's paperwork, saving time and money.
2. Had this amount been indexed to inflation since its inception, the current threshold would be over \$300.

CONS

1. None apparent.

SUPPORTERS

Rep. Scott Gunderson, author; Senator Mark Meyer, lead co-sponsor; Rep. Bonnie Ladwig, 63rd Assembly District.

OPPOSITION

None.

HISTORY

Assembly Bill 134 was introduced on 02-19-01, and referred to the Assembly Committee on Ways & Means. A public hearing was held on 03-28-01. On 09-05-01, the Committee voted 12-0 [Representative Jeskewitz absent] to recommend passage of AB 134.

CONTACT: Andrew Nowlan, Office of Rep. Michael Lehman