



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

1 EAST MAIN, SUITE 200
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 264-6948

STEPHEN R. MILLER
CHIEF

March 19, 2011

MEMORANDUM

To: Representative August

From: Marc E. Shovers, Managing Attorney, (608) 266-0129

Subject: Technical Memorandum to **2011 AB 52** (LRB-0944/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

The department's first point is a policy question and not a technical issue. The department's second point is a technical issue which I think should be addressed. I suggest deleting bill section 7, the initial applicability provision. I think that the in-text initial applicability provisions in bill sections one and two are all that are necessary.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 17, 2011

TO: Marc Shovers
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on Assembly Bill 52: Expanding and Increasing the Tax Exemption for Retirement Plan Income Received by an Individual

The Department has the following concerns related to the bill:

The bill eliminates the age restriction for the retirement income exclusion. Thus young persons (even in their 20s) could withdraw amounts from their IRAs and such amounts would not be subject to tax or penalty. Is this the intent?

The initial applicability states for taxable years beginning on January 1, 2012. However, the elimination of the age and income restrictions first applies for taxable years beginning on January 1, 2013.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@revenue.wi.gov.

cc: Representative August