

2011 Jr1 DRAFTING REQUEST

Senate Amendment (SA-SB2)

Received: **01/13/2011**

Received By: **mshovers**

Wanted: **As time permits**

Companion to LRB:

For: **Tim Carpenter (608) 266-8535**

By/Representing: **Stuart**

May Contact:

Drafter: **mshovers**

Subject: **Tax, Individual - income credit**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Carpenter@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Nonrefundable individual income tax credit; health savings account contributions

Instructions:

See attached. Draft the income limitation from AB 639 as an amendment to SS SB 2

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>
/?	mshovers 01/13/2011	csicilia 01/14/2011		_____			
/1			jfrantze 01/14/2011	_____	sbasford 01/14/2011	sbasford 01/14/2011	

FE Sent For:

<END>

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1?	mshovers	1 cjs 1/14 10		1/14			
1 MES 1/13/11							

FE Sent For:

<END>

Shovers, Marc

From: Dodge, Tamara
Sent: Thursday, January 13, 2011 2:56 PM
To: Kuczenski, Tracy; Shovers, Marc
Subject: RE: Amendment drafting request

Tracy, I think this is Marc's. Marc is this yours?

Tami

Tamara J. Dodge

Attorney
Wisconsin Legislative Reference Bureau
P.O. Box 2037
Madison, WI 53701-2037
(608) 267 - 7380
tamara.dodge@legis.wisconsin.gov

From: Kuczenski, Tracy
Sent: Thursday, January 13, 2011 2:44 PM
To: Dodge, Tamara
Subject: FW: Amendment drafting request

I believe this is you???

Tracy K. Kuczenski
Legislative Attorney
Wisconsin Legislative Reference Bureau
tracy.kuczenski@legis.wisconsin.gov
(608) 266-9867

From: LRB.Legal
Sent: Thursday, January 13, 2011 2:31 PM
To: Kuczenski, Tracy
Cc: Sen.Carpenter; Ewy, Stuart
Subject: RE: Amendment drafting request

Drafting Request

From: Ewy, Stuart
Sent: Thursday, January 13, 2011 2:25 PM
To: LRB.Legal
Cc: Sen.Carpenter
Subject: Amendment drafting request

Hello –

Tim Carpenter would like an amendment drafted to SS SB 2, re health savings accounts.

Last session, a bill (2009 AB 639) was introduced which allowed HSA tax treatment similar to SS SB 2, but with this limitation:

The credit may not be claimed, however, by a single person, head of household, or married person who files a separate return if the person's Wisconsin adjusted gross income (AGI) exceeds 500 percent of the federal

poverty level, or AGI in excess of 500 percent of the federal poverty level in the case of a married couple who files a joint return

Can you please draft an amendment that will impose such a limitation on SS SB 2?

Thank you very much,

Regards,

G. Stuart Ewy
Office of Senator Tim Carpenter
State Capitol 306 S
608.266.8535



(SOON)
State of Wisconsin
2011 - 2012 LEGISLATURE

January 2011 Special Session



LRBa0089?/

MES

RMNR
g's

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION
SENATE AMENDMENT ,
TO SENATE BILL 2

fill in

1 At the locations indicated, amend the bill as follows:

2

(END)

3

1. Page 2, line 9: after that line insert:

INS A

4

2. Page 2, line 25: after that line insert:

INS B

→ (END) ←



State of Wisconsin
2011 - 2012 LEGISLATURE
January 2011 Special Session



LRBs0002/1
MES:jld:ph

ASSEMBLY SUBSTITUTE AMENDMENT,
TO ASSEMBLY BILL (LRB-0357/5)

1 **AN ACT to create** 71.07 (6f) and 71.10 (4) (cf) of the statutes; **relating to:** creating
2 a nonrefundable individual income tax credit for certain amounts relating to
3 health savings accounts that may be deducted from, or are exempt from, federal
4 income taxes.

Analysis by the Legislative Reference Bureau

Under current federal law, certain individuals may make tax-deductible contributions to health savings accounts (HSAs) and withdraw the money tax-free when needed to cover routine and preventive medical care.

Under this substitute amendment, an individual who makes contributions to such an HSA may claim a nonrefundable income tax credit for 6.5 percent of the allowable amount that the individual claims as a federal tax deduction for a contribution to an HSA or 6.5 percent of the federal tax-exempt earnings relating to an HSA, or both. The credit may not be claimed, however, by a single person, head of household, or married person who files a separate return if the person's Wisconsin adjusted gross income (AGI) exceeds 500 percent of the federal poverty level, or AGI

in excess of 500 percent of the federal poverty level in the case of a married couple who files a joint return.

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

1 **SECTION 1.** 71.07 (6f) of the statutes is created to read:

2 **71.07 (6f) HEALTH SAVINGS ACCOUNT TAX CREDIT.** (a) *Definitions.* In this
3 subsection:

4 1. "Claimant" means an individual who claims a deduction for a contribution
5 to, or who claims federal tax-exempt earnings relating to, a health savings account
6 under section 223 of the Internal Revenue Code.

7 2. "Deduction amount" means the allowable amount of a deduction claimed on
8 a claimant's federal income tax return for a contribution to a health savings account
9 under section 223 of the Internal Revenue Code, or federal tax-exempt earnings
10 relating to a health savings account under section 223 of the Internal Revenue Code.

11 3. "Poverty line" has the meaning given in s. 49.265 (1) (c). ✓

12 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
13 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
14 amount of those taxes, 6.5 percent of the deduction amount claimed in the taxable
15 year to which the claim under this subsection relates.

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

18 2. For a claimant who is a nonresident or part-year resident of this state and
19 who is a single person or a married person filing a separate return, multiply the
20 credit for which the claimant is eligible under par. (b) by a fraction the numerator of
21 which is the individual's Wisconsin adjusted gross income and the denominator of

1 which is the individual's federal adjusted gross income. If a claimant is married and
2 files a joint return, and if the claimant or the claimant's spouse, or both, are
3 nonresidents or part-year residents of this state, multiply the credit for which the
4 claimant is eligible under par. (b) by a fraction the numerator of which is the couple's
5 joint Wisconsin adjusted gross income and the denominator of which is the couple's
6 joint federal adjusted gross income.

7 **3.** No individual or couple may claim the credit under this subsection if any of
8 the following applies:

9 a. For a single individual, head of household, or married person who files a
10 separate income tax return, his or her adjusted gross income is more than 500
11 percent of the federal poverty line.

12 b. For a married couple who file a joint income tax return, their adjusted gross
13 income is more than 500 percent of the federal poverty line.

14 (d) *Administration.* Subsection (9e) (d), to the extent that it applies to the credit
15 under that subsection, applies to the credit under this subsection.

16 **SECTION 2.** 71.10 (4) (cf) of the statutes is created to read:

17 71.10 (4) (cf) The health savings account tax credit under s. 71.07 (6f).

18 **SECTION 3. Nonstatutory provisions.**

19 (1) **REQUIRED GENERAL FUND BALANCE.** Section 20.003 (4) of the statutes does not
20 apply to the action of the legislature in enacting this act.

21 **SECTION 4. Initial applicability.**

22 (1) This act first applies to taxable years beginning on January 1 of the year
23 in which this subsection takes effect, except that if this subsection takes effect after

INS
B

4

11

1 July 31 this act first applies to taxable years beginning on January 1 of the year
2 following the year in which this subsection takes effect.

3 (END)