STATE OF WISCONSIN

REPORT OF THE JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS

2015 ASSEMBLY BILL 460

[Introduced by Representatives Kooyenga, Hebl, Kessler, Johnson, Mason, Milroy, Jarchow, Krug, Hintz, Rohrkaste, Kitchens, Steffen, Ohnstad, Goyke, Allen, Kolste, Tittl, Spreitzer, C. Taylor, T. Larson, Sinicki, Hutton, Mursau, Wachs, Berceau, Zamarripa, Brostoff, Pope, Quinn, Edming and Subeck; cosponsored by Senators Wanggaard, Risser, Bewley, L. Taylor, Nass, Ringhand, Lassa, C. Larson and Darling.]

General Nature of the Proposal

2015 Assembly Bill 460 makes various changes relating to resolutions of claims against the state for wrongful imprisonment. Key changes include an increase in the amount of compensation that the State Claims Board may award for a claim of wrongful imprisonment and various changes to procedures for consideration and resolution of wrongful imprisonment claims. Additionally, the bill creates an exemption from state income taxes for compensation received by an individual, or an individual's estate, from the State Claims Board as a result of a claim against the state for wrongful imprisonment, and for specified other financial assistance authorized under the bill.

Legality Involved

There are no issues of legality involved.

Fiscal Effect Upon the State and Its Subdivisions

The Department of Revenue estimates a loss of income tax revenue of approximately $32,000 annually with regard to the exemption from state income taxes for compensation and other financial assistance received by an individual or an individual's estate under the bill. Additionally, the department notes a minimal increase in income tax revenue related to the taxability of health insurance received by an individual under the bill. A proposed amendment to the bill would exempt the receipt of the health insurance benefits from taxation, removing the latter fiscal effect.

Public Policy Involved

The Joint Survey Committee on Tax Exemptions finds that there is appropriate public policy on the tax exemptions in Assembly Bill 460.

01/28/16 ***JOINT SURVEY COMMITTEE ON TAX EXEMPTIONS***