



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRBs0390/1  
MES/KRP/TJD:wlj/amn/klm

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO ASSEMBLY BILL 944**

February 22, 2018 - Offered by Representatives DOYLE, C. TAYLOR, BARCA, BILLINGS, CROWLEY, GENRICH, HEBL, HESSELBEIN, HINTZ, KOLSTE, MEYERS, OHNSTAD, POPE, SHANKLAND, SPREITZER and VRUWINK.

1     **AN ACT** *to amend* 49.45 (23) (a), 49.471 (4) (a) 4. b. and 71.05 (23) (b) 1.; and *to*  
2     *create* 49.471 (1) (cr), 49.471 (4g) and 71.05 (23) (be) of the statutes; **relating**  
3     **to:** increasing the personal exemption for certain individuals, Medicaid  
4     expansion, and making an appropriation.

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

5     **SECTION 1.** 49.45 (23) (a) of the statutes is amended to read:  
6     49.45 (23) (a) The department shall request a waiver from the secretary of the  
7     federal department of health and human services to permit the department to  
8     conduct a demonstration project to provide health care coverage to adults who are  
9     under the age of 65, who have family incomes not to exceed ~~100~~ 133 percent of the  
10    poverty line before application of the ~~5~~ percent income disregard under ~~42 CFR~~  
11    ~~435.603~~ (d), except as provided in s. 49.471 (4g), and who are not otherwise eligible

1 for medical assistance under this subchapter, the Badger Care health care program  
2 under s. 49.665, or Medicare under 42 USC 1395 et seq.

3 **SECTION 2.** 49.471 (1) (cr) of the statutes is created to read:

4 49.471 (1) (cr) “Enhanced federal medical assistance percentage” means a  
5 federal medical assistance percentage described under 42 USC 1396d (y) or (z).

6 **SECTION 3.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

7 49.471 (4) (a) 4. b. ~~The Except as provided in sub. (4g), the individual’s family~~  
8 ~~income does not exceed 100 133 percent of the poverty line before application of the~~  
9 ~~5 percent income disregard under 42 CFR 435.603 (d).~~

10 **SECTION 4.** 49.471 (4g) of the statutes is created to read:

11 49.471 (4g) MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. (a)  
12 For services provided to individuals described under sub. (4) (a) 4. and s. 49.45 (23),  
13 the department shall comply with all federal requirements to qualify for the highest  
14 available enhanced federal medical assistance percentage. The department shall  
15 submit any amendment to the state medical assistance plan, request for a waiver of  
16 federal Medicaid law, or other approval request required by the federal government  
17 to provide services to the individuals described under sub. (4) (a) 4. and s. 49.45 (23)  
18 and qualify for the highest available enhanced federal medical assistance  
19 percentage.

20 (b) If the department does not qualify for an enhanced federal medical  
21 assistance percentage, or if the enhanced federal medical assistance percentage  
22 obtained by the department is lower than printed in federal law as of July 1, 2013,  
23 for individuals eligible under sub. (4) (a) 4. or s. 49.45 (23), the department shall  
24 submit to the joint committee on finance a fiscal analysis comparing the cost to  
25 maintain coverage for adults who are not pregnant and not elderly with family

1 incomes up to 133 percent of the poverty line to the cost of limiting eligibility to those  
2 adults with family incomes up to 100 percent of the poverty line. The department  
3 may reduce income eligibility for adults who are not pregnant and not elderly from  
4 family incomes of up to 133 percent of the poverty line to family incomes of up to 100  
5 percent of the poverty line only if this reduction in income eligibility levels is  
6 approved by the joint committee on finance.

7 **SECTION 5.** 71.05 (23) (b) 1. of the statutes is amended to read:

8 71.05 (23) (b) 1. A personal exemption of \$700 if the taxpayer is required to file  
9 a return under s. 71.03 (2) (a) 1. or 2. and \$700 for the taxpayer's spouse, except if  
10 the spouse is filing separately or as a head of household. For taxable years beginning  
11 after December 31, 2017, the exemption under this subdivision may not be claimed  
12 by a taxpayer who is eligible for, and claims, the exemption under par. (be).

13 **SECTION 6.** 71.05 (23) (be) of the statutes is created to read:

14 71.05 (23) (be) For taxable years beginning after December 31, 2017, a personal  
15 exemption calculated as follows if the taxpayer is required to file a return under s.  
16 71.03 (2) (a) 1. or 2.:

17 1. For a single individual who has a Wisconsin adjusted gross income of less  
18 than \$12,000, an exemption of \$8,260. For a single individual who has a Wisconsin  
19 adjusted gross income of at least \$12,000, the exemption is the amount obtained by  
20 subtracting from \$8,260 15.75 percent of Wisconsin adjusted gross income in excess  
21 of \$12,000 but not less than \$0, except that if the single individual's Wisconsin  
22 adjusted gross income is more than \$60,000, the individual may not claim the  
23 exemption under this paragraph but the individual may claim the exemption under  
24 par. (b).

1           2. For a head of household who has a Wisconsin adjusted gross income of less  
2 than \$14,000, an exemption of \$8,260. For a head of household who has a Wisconsin  
3 adjusted gross income of at least \$14,000, the exemption is the amount obtained by  
4 subtracting from \$8,260 13.50 percent of Wisconsin adjusted gross income in excess  
5 of \$14,000 but not less than \$0, except that if the head of household's Wisconsin  
6 adjusted gross income is more than \$70,000, the individual may not claim the  
7 exemption under this paragraph but the head of household may claim the exemption  
8 under par. (b).

9           3. For a married couple filing jointly that has an aggregate Wisconsin adjusted  
10 gross income of less than \$20,000, an exemption of \$16,520 for the married couple.  
11 For a married couple filing jointly that has an aggregate Wisconsin adjusted gross  
12 income of at least \$20,000, the exemption is the amount obtained by subtracting, for  
13 the married couple, from \$16,520 18.90 percent of aggregate Wisconsin adjusted  
14 gross income in excess of \$20,000 but not less than \$0, except that if the married  
15 couple's Wisconsin aggregate adjusted gross income is more than \$100,000, the  
16 couple may not claim the exemption under this paragraph but the married couple  
17 may claim the exemption under par. (b).

18           4. For a married individual filing separately who has a Wisconsin adjusted  
19 gross income of less than \$10,000, an exemption of \$8,260. For a married individual  
20 filing separately who has a Wisconsin adjusted gross income of at least \$10,000, the  
21 exemption is the amount obtained by subtracting from \$8,260 18.90 percent of  
22 Wisconsin adjusted gross income in excess of \$10,000 but not less than \$0, except that  
23 if the individual's Wisconsin adjusted gross income is more than \$50,000, the  
24 individual may not claim the exemption under this paragraph but the individual  
25 may claim the exemption under par. (b).

