WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO

2005 Assembly Bill 57	Assembly Amendment 2
***Memo published*: June 2, 2005**	***Contact*: Mary Offerdahl, Staff Attorney (266-2230)**

Assembly Bill 57 would allow a person to establish a long-term care expenses account for the person and his or her spouse. In determining Wisconsin taxable income, the person could subtract from federal adjusted gross income up to $2,000 each year for the person and up to an additional $2,000 each year for his or her spouse (in addition to any interest, dividends, or other gain that accrues in the account, if redeposited into the account), if the account is used exclusively to pay long-term care expenses, until the total value of the account exceeds $100,000. "Long-term care expenses" are defined as "any amount that is paid for care that is provided to an individual in an individual's home or in institutional or community-based settings and that is convalescent or custodial care or care for a chronic condition or terminal illness."

Assembly Amendment 2 adds to this definition of long-term care expenses any amount paid by an individual for a long-term care insurance policy, as defined in s. 71.05 (6) (b) 26. a., Stats. Also, the amendment prevents double-subtraction from income by specifying that a person using a long-term care expenses account (for which contributions can be subtracted from income as explained in the preceding paragraph) to pay for a long-term care insurance policy may not also claim the subtraction from income currently available under Wisconsin law for amounts paid for a long-term care insurance policy.

Legislative History

On May 26, 2005, the Assembly Committee on Aging and Long-Term Care introduced Assembly Amendment 2 on a vote of Ayes, 7; Noes, 2 and recommended it for adoption on a vote of Ayes, 9; Noes, 0. On the same day, the committee recommended passage of Assembly Bill 57, as amended, on a vote of Ayes, 7; Noes, 2.

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