



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2011 Assembly Bill 242

**Assembly Substitute
Amendment 1**

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Current law provides for the placement of income tax check-offs on individual tax returns that allow individuals who file returns to designate additional payments or any amount of a refund due to be transferred to programs that provide financial support to various entities.

2011 Assembly Bill 242

2011 Assembly Bill 242 would modify the income tax check-off procedures so as to limit the total number of check-offs that may be listed on the tax return form for a particular year. The bill would also create a system by which the tax check-offs that raise the lowest amounts of money over a three-year period would be replaced by other tax check-offs that have been created, but are not listed on the form. The check-offs to be added would be chosen by joint resolution of the Legislature. This process would be repeated every three years.

Assembly Substitute Amendment 1

Assembly Substitute Amendment 1 to Assembly Bill 242 makes several modifications to the treatment of tax check-offs as compared to the original bill. Under the substitute amendment, the review period for the determination of tax check-off contributions would be two years instead of three, with the determination of contributions beginning in 2013, and the first opportunity to modify listing of check-offs beginning for the taxable year beginning January 1, 2015.

The substitute amendment also specifies a different mechanism for choosing which tax check-offs to add to a tax return form. Under the substitute amendment, tax check-offs would be added based on the date each check-off was placed on a list of check-offs maintained by the Department of Revenue, or, for check-offs added to the list at the same time, in order of effective dates of the creation of the new check-offs.

Assembly Substitute Amendment 1 also makes certain revisions as compared to the original bill to clarify that 10 check-offs may be listed on the tax return in any given taxable year. Finally, the substitute amendment modifies the tax check-offs for prostate cancer and for breast cancer. Under the substitute amendment, these check-offs are combined into a single check-off that would permit money to be contributed toward general cancer research conducted by the Medical College of Wisconsin and the University of Wisconsin Carbone Cancer Center.

Legislative History

Assembly Bill 242 was introduced by Representative Strachota and others on Sept. 6, 2011. Representative Strachota offered Assembly Substitute Amendment 1 on October 19, 2011. On October 25, 2011, the Assembly Committee on Ways and Means recommended adoption of Assembly Substitute Amendment 1 on a vote of Ayes, 9; Noes, 1; and recommended passage of Assembly Bill 242, as amended, on a vote of Ayes, 8; Noes, 2.

SG:ksm