



## 1999 ASSEMBLY BILL 848

March 7, 2000 - Introduced by Representatives GRONEMUS, M. LEHMAN, WASSERMAN, URBAN, RYBA, FREESE, SYKORA, MEYERHOFER, SERATTI, OWENS, PLALE, PETROWSKI, HASENOHRL, MUSSER, BOYLE, OTT, PORTER, GUNDERSON, PETTIS, NASS, LASSA, F. LASEE, LADWIG, SINICKI, ALBERS, MILLER, BERCEAU and POCAN, cosponsored by Senators LAZICH, GEORGE, DRZEWIECKI, FARROW, A. LASEE, SCHULTZ and ROESSLER. Referred to Joint survey committee on Tax Exemptions.

1     **AN ACT to amend** 71.07 (5) (a) 15.; and **to create** 71.05 (6) (b) 31. of the statutes;  
2             **relating to:** creating an individual income tax subtract modification for  
3             amounts spent on medical insurance premiums by certain individuals.

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### *Analysis by the Legislative Reference Bureau*

Under current law, there is an individual income tax deduction for 100% of the amount paid by a person for a long-term care insurance policy that covers the person and his or her spouse.

This bill creates an individual income tax deduction for 100% of the amount paid by an individual for a medicare supplement policy that covers the individual and his or her spouse.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

4             **SECTION 1.** 71.05 (6) (b) 31. of the statutes is created to read:

**ASSEMBLY BILL 848****SECTION 1**

1           71.05 (6) (b) 31. For taxable years beginning after December 31, 1999, an  
2 amount paid by an individual for a medicare supplement policy for the individual  
3 and his or her spouse, calculated as follows:

4           a. One hundred percent of the amount paid by the individual for a medicare  
5 supplement policy. In this subdivision, “medicare” means 42 USC 1395 to 1395ss and  
6 “medicare supplement policy” means a disability insurance policy or certificate  
7 advertised, marketed or designed primarily to supplement benefits under medicare  
8 for the hospital, medical or surgical expenses of persons eligible for medicare that  
9 covers the individual and his or her spouse.

10           b. From the amount calculated under subd. 31. a., subtract the amounts  
11 deducted from gross income for a medicare supplement policy in the calculation of  
12 federal adjusted gross income.

13           c. For an individual who is a nonresident or part-year resident of this state,  
14 multiply the amount calculated under subd. 31. a. or b., by a fraction the numerator  
15 of which is the individual’s wages, salary, tips, unearned income and net earnings  
16 from a trade or business that are taxable by this state and the denominator of which  
17 is the individual’s total wages, salary, tips, unearned income and net earnings from  
18 a trade or business. In this subd. 31. c., for married persons filing separately “wages,  
19 salary, tips, unearned income and net earnings from a trade or business” means the  
20 separate wages, salary, tips, unearned income and net earnings from a trade or  
21 business of each spouse, and for married persons filing jointly “wages, salary, tips,  
22 unearned income and net earnings from a trade or business” means the total wages,  
23 salary, tips, unearned income and net earnings from a trade or business of both  
24 spouses.

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1 d. Reduce the amount calculated under subd. 31. a., b. or c. to the individual's  
2 aggregate wages, salary, tips, unearned income and net earnings from a trade or  
3 business that are taxable by this state.

4 **SECTION 2.** 71.07 (5) (a) 15. of the statutes is amended to read:

5 71.07 (5) (a) 15. The amount claimed as a deduction for medical care insurance  
6 under section 213 of the Internal Revenue Code that is exempt from taxation under  
7 s. 71.05 (6) (b) 17. to 20. and 31. and the amount claimed as a deduction for a  
8 long-term care insurance policy under section 213 (d) (1) (D) of the Internal Revenue  
9 Code, as defined in section 7702B (b) of the Internal Revenue Code that is exempt  
10 from taxation under s. 71.05 (6) (b) 26.

11 **SECTION 3. Initial applicability.**

12 (1) This act first applies to taxable years beginning on January 1, 2000.

13 (END)