



1997 ASSEMBLY BILL 879

March 5, 1998 - Introduced by Representatives SPILLNER, HUEBSCH, OWENS, FREESE, OTT, SCHAFFER, HAHN, PORTER, LADWIG, GREEN, KELSO, SYKORA and JENSEN, cosponsored by Senators WELCH and ZIEN. Referred to Committee on Working Families.

1 **AN ACT to amend** 20.445 (3) (dz) and 71.08 (1) (intro.); and **to create** 71.07 (1cc),
2 71.07 (5) (a) 8. and 71.10 (4) (ga) of the statutes; **relating to:** creating an
3 individual income tax credit for contributions to charities that are devoted
4 exclusively to helping the poor.

Analysis by the Legislative Reference Bureau

This bill creates an individual income tax credit for contributions, up to \$100 per taxable year, for contributions to charities that are devoted exclusively to aiding the poor. The bill ensures that contributions that are used to calculate the credit are not also used to calculate the itemized deduction credit.

This bill also reduces the general purpose revenue appropriation to the department of workforce development for various public assistance programs by \$1 for every \$1 properly credited on tax returns for contributions to charities that are devoted exclusively to helping the poor.

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 and local* fiscal estimate, which will be printed as an appendix to this bill.

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

ASSEMBLY BILL 879**SECTION 1**

1 **SECTION 1.** 20.445 (3) (dz) of the statutes, as affected by 1997 Wisconsin Act 27,
2 section 627, is amended to read:

3 20.445 (3) (dz) *Wisconsin works and other public assistance administration and*
4 *benefits.* The amounts in the schedule, less the amount of credits that were properly
5 claimed under s. 71.07 (1cc) on returns submitted on or after May 1 of the year before
6 the year in which the fiscal year begins and before May 1 of the year in which the
7 fiscal year begins, for administration and benefit payments under Wisconsin works
8 under ss. 49.141 to 49.161, the job opportunities and basic skills program under s.
9 49.193, the learnfare program under s. 49.26, the work experience and job search
10 program under s. 49.36, the food stamp employment and training program under s.
11 49.124 (1m) and the parental responsibility pilot program under s. 49.25; for
12 payment distribution under s. 49.33 (8) for county administration of public
13 assistance benefits and medical assistance eligibility determination and payments
14 to American Indian tribes for administration of public assistance programs; to
15 provide state aid for county administered public assistance programs for which
16 reimbursement is provided under s. 49.33 (9); for child care costs under ss. 49.191
17 (1) and (2), 49.193 (8) and 49.26 (1) (e); for the new hope project under s. 49.37; for
18 aid to 18-year-old students under s. 49.20; and for funeral expenses under s. 49.30.
19 Payments may be made from this appropriation to counties for fraud investigation
20 and error reduction under s. 49.197 (1m) and (4). Moneys appropriated under this
21 paragraph may be used to match federal funds received under par. (md).
22 Notwithstanding ss. 20.001 (3) (a) and 20.002 (1), the department may transfer funds
23 between fiscal years under this paragraph. All funds allocated by the department
24 but not encumbered by December 31 of each year lapse to the general fund on the

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1 next January 1 unless transferred to the next calendar year by the joint committee
2 on finance.

3 **SECTION 2.** 71.07 (1cc) of the statutes is created to read:

4 71.07 (1cc) CHARITABLE CONTRIBUTIONS CREDIT. (a) Any natural person may
5 credit against taxes that are otherwise due under this subchapter, up to the amount
6 of those taxes, all contributions that the person makes to charities that are devoted
7 exclusively to aiding the poor, except that the credit may not exceed \$100.

8 (b) Section 71.28 (4) (f) to (h), as it applies to the credit under s. 71.28 (4), applies
9 to the credit under this subsection.

10 **SECTION 3.** 71.07 (5) (a) 8. of the statutes is created to read:

11 71.07 (5) (a) 8. Charitable contributions that are used to calculate the credit
12 under sub. (1cc).

13 **SECTION 4.** 71.08 (1) (intro.) of the statutes, as affected by 1997 Wisconsin Act
14 27, is amended to read:

15 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
16 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
17 ss. 71.07 (1), (1cc), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (6)
18 and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd) and (2m) and 71.47
19 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd) and (2m) and subchs. VIII and IX
20 and payments to other states under s. 71.07 (7), is less than the tax under this
21 section, there is imposed on that natural person, married couple filing jointly, trust
22 or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
23 as follows:

24 **SECTION 5.** 71.10 (4) (ga) of the statutes is created to read:

25 71.10 (4) (ga) Charitable contributions credit under s. 71.07 (1cc).

