

1999 ASSEMBLY BILL 354

May 17, 1999 – Introduced by Representatives PETTIS, TOWNSEND, GARD, PETROWSKI, SUDER, KELSO, SKINDRUD, HUNDERTMARK, KESTELL, LEIBHAM, MONTGOMERY, HAHN, RHOADES, MUSSER, GUNDRUM, STONE, SPILLNER, SYKORA and JENSEN. Referred to calendar.

1 **AN ACT to repeal** 20.835 (2) (kf); **to amend** 20.445 (3) (md), 20.445 (3) (md),
2 20.835 (2) (f), 20.835 (2) (f), 71.07 (9e) (f) and 71.07 (9e) (f); and **to create** 20.835
3 (2) (kf) of the statutes; **relating to:** the funding source for the earned income
4 tax credit and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the refundable earned income tax credit is funded from general purpose revenues as a sum sufficient appropriation. Under this bill, the credit is funded by up to \$58 million from the federal temporary assistance for needy families block grant. If the total amount of allowable claims exceeds the allowable amount of federal funds, general program revenues will fund the amount of excess claims. This bill only applies to claims that are paid in 1999 that relate to taxable year 1998.

The bill also increases by \$24.3 million the appropriation to the department of workforce development for fiscal year 1998–99 and transfers on or before June 30, 1999, \$33.7 million to the property tax relief fund.

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:

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1 **SECTION 5.** 20.835 (2) (f) of the statutes, as affected by 1999 Wisconsin Act ...
2 (this act), is amended to read:

3 20.835 **(2)** (f) *Earned income tax credit.* A sum sufficient to pay the excess
4 claims approved under s. 71.07 (9e), except the claims paid under par. (k), ~~that are~~
5 ~~not paid under par. (kf).~~

6 **SECTION 6.** 20.835 (2) (kf) of the statutes is created to read:

7 20.835 **(2)** (kf) *Earned income tax credit; temporary assistance for needy*
8 *families.* The amounts in the schedule to be used to pay, to the extent permitted
9 under federal law the claims approved under s. 71.07 (9e), except the claims paid
10 under par. (k). All moneys transferred from the appropriation account under s.
11 20.445 (3) (md) shall be credited to this account.

12 **SECTION 7.** 20.835 (2) (kf) of the statutes, as created by 1999 Wisconsin Act ...
13 (this act), is repealed.

14 **SECTION 8.** 71.07 (9e) (f) of the statutes is amended to read:

15 71.07 **(9e)** (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
16 amount of the claim under this subsection exceeds the taxes otherwise due under this
17 chapter or no taxes are due under this chapter, the amount of the claim not used to
18 offset taxes due shall be certified by the department of revenue to the department
19 of administration for payment by check, share draft or other draft drawn from the
20 appropriation under s. 20.835 (2) (f), (k) or (kf).

21 **SECTION 9.** 71.07 (9e) (f) of the statutes, as affected by 1999 Wisconsin Act ...
22 (this act), is amended to read:

23 71.07 **(9e)** (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
24 amount of the claim under this subsection exceeds the taxes otherwise due under this
25 chapter or no taxes are due under this chapter, the amount of the claim not used to

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1 offset taxes due shall be certified by the department of revenue to the department
2 of administration for payment by check, share draft or other draft drawn from the
3 appropriation under s. 20.835 (2) (f), or (k) ~~or (kf)~~.

4 **SECTION 10. Appropriation changes.**

5 (1) PROPERTY TAX RELIEF FUND TRANSFER. On or before June 30, 1999, there is
6 transferred \$33,700,000 from the general fund to the property tax relief fund.

7 (2) PUBLIC ASSISTANCE ADMINISTRATION AND BENEFITS. In the schedule under
8 section 20.005 (3) of the statutes for the appropriation to the department of workforce
9 development under section 20.445 (3) (dz) of the statutes, as affected by the acts of
10 1999, the dollar amount is increased by \$24,300,000 for fiscal year 1998–99.

11 **SECTION 11. Effective dates.** This act takes effect on the day after publication,
12 except as follows:

13 (1) The treatment of sections 20.445 (3) (md) (by SECTION 3), 20.835 (2) (f) (by
14 SECTION 5) and 71.07 (9e) (f) (by SECTION 9) of the statutes and the repeal of section
15 20.835 (2) (kf) of the statutes take effect on July 1, 1999.

16 (END)