

1999 DRAFTING REQUEST

Bill

Received: **05/5/99**

Received By: **shoveme**

Wanted: **05/13/99**

Identical to LRB:

For: **John Gard (608) 266-2343**

By/Representing: **Rob Reinhardt**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income
Health - social services**

Extra Copies: **LFB -- ATTN Rob Reinhardt
Rep. Jensen
Joe Kreye**

Pre Topic:

No specific pre topic given

Topic:

Transfer some TANF funds to earned income tax credit appropriation

Instructions:

See Attached. Transfer some TANF money from DWD to fund part or all of EITC for FY 1998

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	shoveme 05/12/99			_____			S&L
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			jfrantze 05/13/99	_____			

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/3	yacketa 05/14/99	chanaman 05/14/99	jfrantze 05/14/99	_____	lrb_docadmin 05/14/99	lrb_docadminS&L 05/14/99	
	yacketa 05/17/99	chanaman 05/17/99		_____			
/4			jfrantze 05/17/99	_____	lrb_docadmin 05/17/99	lrb_docadminS&L 05/17/99	

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			jfrantze 05/13/99	_____			

J 5/17 *J/KM 5/17*

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		<i>Chad</i>	lrb_docadmin	_____	lrb_docadmin 05/13/99		
		<i>13</i>	05/13/99	_____			
		<i>5/14</i>	jfrantze	_____			
			05/13/99	_____			

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For: **Legislative Fiscal Bureau 6-3773**

By/Representing: **Rob Reinhardt**

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May Contact:

Alt. Drafters: **yacketa**

Subject: **Tax - individual income
Health - social services**

Extra Copies: **Rep. Gard
Rep. Jensen
Joe Kreye**

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Rep. Jensen
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/1	yacketa 05/12/99	chanaman 05/13/99	jfrantze 05/13/99	_____	lrb_docadmin 05/13/99		S&L

FE Sent For:

*cmu
5/13
1/2*

*S/13
mrc*

*mrc/HH
5/13
<END>*



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Rep. Jensen*

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Instructions:

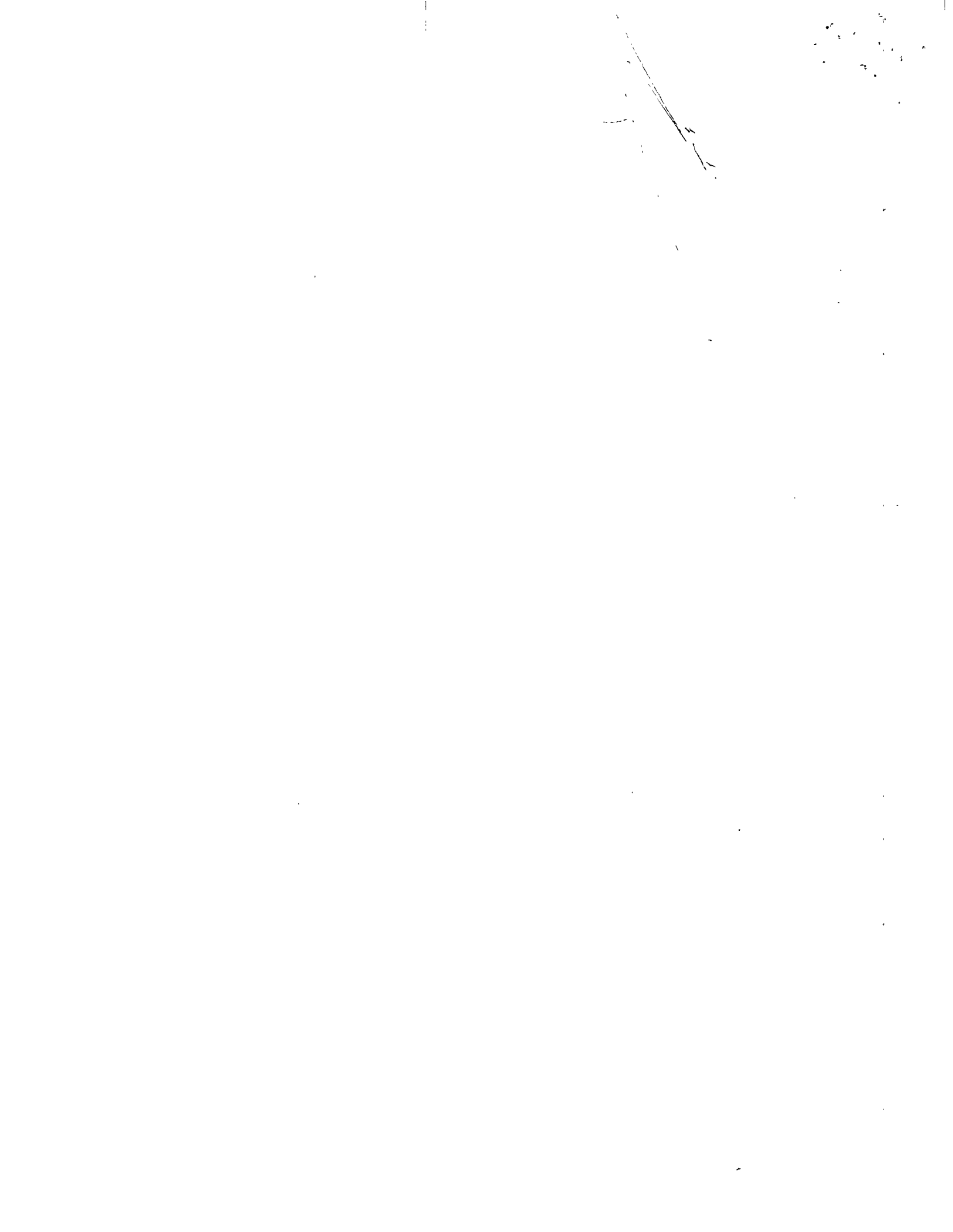
See Attached. Transfer some TANF money from DWD to fund part or all of EITC for TY 1998

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1?	shoveme			_____	<u>Submit</u>		
<i>1P1 ME 5/12/99</i>							

FE Sent For:

<END>





Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Date: 4-30-99

DELIVER TO:

Mark Shovers

Addressee Fax #:

Addressee Phone #:

of Pages, Including Cover:

2

Sender's Initials:

RR

From:

Rob Dehaert

Message:

TANF/EITC Draft

Modify DWD's appropriation under s. 20.445(3)(md) (federal block grant aids) to account for the transfer of funds to the new PR-S appropriation for TANF payments of refundable EITCs.

Create a new ^{annual} PR-S appropriation under s. 20.835(2) to use TANF funds transferred from DWD for the share of EITC payments that are paid as refund checks to the claimant, to the extent allowed by federal law. Modify the current GPR appropriation for the EITC to make it cover any EITC payments that are not covered under the PR-S appropriation (i.e., the share of the credit that is offset against the claimant's income tax liability).

put \$58 million in 2nd year

Increase DWD's appropriation under s. 20.445(3)(dz) by \$14.0 million GPR in 1998-99 to cover the amount of EITC that is currently being counted for the TANF maintenance of effort requirement.

Effective for tax year 1998.

[This assumes we have to initially appropriate the TANF funds to DWD and then transfer them as PR-S. As I mentioned on the phone, it would be preferable to directly appropriate the funds as FED under s. 20.835(2), if we can]

annual "Fed" approp if it can be done as a straight transfer

or do annual PR-S & transfer \$ from DWD

EITC - Rob Reinhart

TANF Temporary assistance to
needy Families

feds say WI can use excess

TANF funds ~~to pay out~~ to pay out
EITC

do ^{bill} for TY 1998 only

create / sum sufficient, PR
PR-S under approp
20,835 (2)
say \$ used for refundable portion
of EITC to the extent allowable by federal law

TANF \$ transferred from DWD

use existing EITC approp. to pay all claims not paid
by

modify current EITC

go into 20,445 (3) (md) to transfer
some of the TANF \$ to 20,835

increase approp in DWD 20,445 (3) (dc)
by \$ 20 million - increase it

49.175 has a lot of \$ pooled &
then allocated to specific appropri-
ate's goal - don't AM; Δ , but
ask TAY

If the federal \$ allows us
to appropriate the \$ directly
to DOR approp under 20.835(2)
instead of doing the transfer

then, go into 20.445(3)(M) &
to say all \$ appropriated from
beds, except \$ ~~from~~ that's appropriated
to 20.835(2) ~~~~~

TRANSFER FR: 20.445(3)(ind) to PR-S A
in DOR (20.835) \$58,000,000

GPR sum supp in DOR (20.835-12)(P) to cover whatever PR-S
does not cover

incr. 20.445(3)(12) by
\$20,000,000

\$38M to property tax relief (?)

Nonstat
at close of 1998-99 FY

transfer \$38M from gen. fund to

~~? DOR ?~~ ~~ask to~~ fund prop. tax

relief fund specify ~~§~~ § 25.62



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-3037/PP /
MES & TAY.....
amr
RMR

Today (Thurs 5/13)

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

making
gen cat

1 AN ACT ~~relating to~~ relating to: the funding source for the earned income tax credit and
2 ~~relating to~~ 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 exceed 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 \$20 million the appropriation to the department of workforce development for fiscal year 1998-99 and transfers on or before June 30, 1999, \$38 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:

3 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
4 the following amounts for the purposes indicated:

1997-98 1998-99

20.835 Revenue

(2) TAX RELIEF

(kf) Earned income tax credit; temporary assistance for needy families

PR-S A -0- 58,000,000

SECTION 2. 20.445 (3) (md) of the statutes is amended to read:

20.445 (3) (md) *Federal block grant aids.* All block grant moneys received from the federal government or any of its agencies to be expended as aids to individuals or organizations and to be transferred to the appropriation accounts under s. 20.435 (3) (kc) and (kd), (7) (kw) and (ky) and (8) (kx) and 20.835 (2) (kf).

History: 1971 c. 125 ss. 156, 522 (1); 1971 c. 211, 215; 1971 c. 228 s. 44; 1971 c. 259; 1973 c. 90, 180, 243, 333; 1975 c. 39, 147, 224, 274, 344; 1975 c. 404 ss. 3, 10 (1); 1975 c. 405 ss. 3, 11 (1); 1977 c. 29, 48, 203, 418; 1979 c. 34 ss. 512 to 522, 2102 (25) (a); 1979 c. 189, 221, 309; 1979 c. 329 s. 25 (1); 1979 c. 350 ss. 3, 27 (6); 1979 c. 353, 355; 1981 c. 20, 36, 92, 93, 317, 325, 364; 1983 a. 8; 1983 a. 27 ss. 411 to 425; 1983 a. 98 ss. 1, 31; 1983 a. 192, 384, 388, 410; 1985 a. 17, 29, 153, 313, 332; 1987 a. 27; 1987 a. 38 ss. 2 to 4, 136; 1987 a. 399, 403; 1989 a. 31, 44, 64, 77, 254, 284, 359; 1991 a. 39 ss. 372c, 545r, 545t, 545v, 547, 548, 548g, 548m, 549, 549b, 549g, 549p; 1991 a. 85, 89, 269, 315; 1993 a. 16, 126, 243, 437, 491; 1995 a. 27 ss. 772mm, 772mn, 776p to 778b, 778L, 778n, 778q, 778v, 778z to 780m, 781m to 782p, 782u, 841, 842, 849, 850, 854, 855, 858c, 873 to 876, 878, 880, 890 to 896, 962 to 1014c, 9126 (19), 9130 (4); 1995 a. 113 s. 2t; 1995 a. 117, 201, 216, 225, 289; 1995 a. 404 ss. 4, 6 to 8, 10 to 17; 1997 a. 3; 1997 a. 27 ss. 610 to 642m, 722; 1997 a. 35, 38, 39, 105, 112, 191, 235, 236, 237, 252; s. 13.93 (2) (c).

SECTION 3. 20.835 (2) (f) of the statutes is amended to read:

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

History: 1971 c. 125 ss. 192 to 195, 521; 1971 c. 215; 1973 c. 90, 158, 333; 1975 c. 39; 1975 c. 372 s. 41; 1975 c. 424; 1977 c. 29, 31, 313, 418, 447; 1979 c. 34 ss. 637m to 643m, 2102 (46) (d); 1979 c. 221; 1979 c. 329 s. 25 (1); 1979 c. 350 s. 27 (1); 1981 c. 1, 20, 93, 317; 1983 a. 2 ss. 1, 12; 1983 a. 27 ss. 489m, 490m, 2202 (45); 1985 a. 29, 41, 205; 1987 a. 27 ss. 473 to 474r, 476; 1987 a. 32; 1987 a. 312 s. 17; 1987 a. 323, 328, 399, 411, 422; 1989 a. 31 ss. 551 to 557m, 564m; 1989 a. 56 s. 259; 1989 a. 336; 1991 a. 37; 1991 a. 39 ss. 250m, 653m to 659m; 1991 a. 225, 269; 1993 a. 16, 263; 1995 a. 27, 56, 209, 417; 1997 a. 27, 237.

SECTION 4. 20.835 (2) (f) of the statutes as affected by 1999 Wisconsin Act ...

(this act), is amended to read:

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

History: 1971 c. 125 ss. 192 to 195, 521; 1971 c. 215; 1973 c. 90, 158, 333; 1975 c. 39; 1975 c. 372 s. 41; 1975 c. 424; 1977 c. 29, 31, 313, 418, 447; 1979 c. 34 ss. 637m to 643m, 2102 (46) (d); 1979 c. 221; 1979 c. 329 s. 25 (1); 1979 c. 350 s. 27 (1); 1981 c. 1, 20, 93, 317; 1983 a. 2 ss. 1, 12; 1983 a. 27 ss. 489m, 490m, 2202 (45); 1985 a. 29,

pare (16) → (17) create auto-ref. "a"

41, 205; 1987 a. 27 ss. 473 to 474r, 476; 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 323, 328, 399, 411, 422; 1989 a. 31 ss. 551 to 557m, 564m; 1989 a. 56 s. 259; 1989 a. 336; 1991 a. 37; 1991 a. 39 ss. 250m, 653m to 659m; 1991 a. 225, 269; 1993 a. 16, 263; 1995 a. 27, 56, 209, 417; 1997 a. 27, 237.

1 SECTION 5. 20.835 (2) (kf) of the statutes is created to read:

2 20.835 (2) (kf) *Earned income tax credit; temporary assistance* ^{for} *needy families.*

3 The amounts in the schedule to be used to pay, to the extent permitted under federal
4 law the claims approved under s. 71.07 (9e), except the claims paid under par. (k).

5 All moneys transferred from the appropriation account under s. 20.445 (3) (md) shall
6 be credited to this account

NOTE: NOTE: Par. (k) is created eff. 2-1-99 by 1997 Wis. Act 27. NOTE:

History: 1971 c. 125 ss. 192 to 195, 521; 1971 c. 215; 1973 c. 90, 158, 333; 1975 c. 39; 1975 c. 372 s. 41; 1975 c. 424; 1977 c. 29, 31, 313, 418, 447; 1979 c. 34 ss. 637m to 643m, 2102 (46) (d); 1979 c. 221; 1979 c. 329 s. 25 (1); 1979 c. 350 s. 27 (1); 1981 c. 1, 20, 93, 317; 1983 a. 2 ss. 1, 12; 1983 a. 27 ss. 489m, 490m, 2202 (45); 1985 a. 29, 41, 205; 1987 a. 27 ss. 473 to 474r, 476; 1987 a. 92; 1987 a. 312 s. 17; 1987 a. 323, 328, 399, 411, 422; 1989 a. 31 ss. 551 to 557m, 564m; 1989 a. 56 s. 259; 1989 a. 336; 1991 a. 37; 1991 a. 39 ss. 250m, 653m to 659m; 1991 a. 225, 269; 1993 a. 16, 263; 1995 a. 27, 56, 209, 417; 1997 a. 27, 237.

7 SECTION 6. 71.07 (9e) (f) of the statutes is amended to read:

8 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
9 amount of the claim under this subsection exceeds the taxes otherwise due under this
10 chapter or no taxes are due under this chapter, the amount of the claim not used to
11 offset taxes due shall be certified by the department of revenue to the department
12 of administration for payment by check, share draft or other draft drawn from the

13 appropriation under s. 20.835 (2) (f), ~~(kf)~~ or (k).

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299.

14 SECTION 7. 71.07 (9e) (f) of the statutes, as affected by 1999 Wisconsin Act ...

paren. (15) (this act), is amended to read: create auto-ref b

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

21 appropriation under s. 20.835 (2) (f), ~~(kf)~~ or ~~(k)~~

History: 1987 a. 312; 1987 a. 411 ss. 63, 79 to 82, 85, 86; 1987 a. 419, 422; 1989 a. 31, 44, 56, 100, 359; 1991 a. 39, 269, 292; 1993 a. 16, 112, 204, 471, 491; 1995 a. 27 ss. 3377m to 3393m, 9116 (5); 1995 a. 209, 227, 400, 453; 1997 a. 27, 41, 237, 299.

strike comma → ; or (k) or (kf)

SECTION 8

1 SECTION 8. Appropriation changes.

2 (1) PROPERTY TAX RELIEF FUND TRANSFER. On or before June 30, 1999, there is
3 transferred \$38,000,000 from the general fund to the property tax relief fund.

4 (2) PUBLIC ASSISTANCE ADMINISTRATION AND BENEFITS. In the schedule under
5 section 20.005 (3) of the statutes for the appropriation to the department of workforce
6 development under section 20.445 (3) (dz) of the statutes, as affected by the acts of
7 1999, the dollar amount is increased by \$20,000,000 for fiscal year 1998-99.

8 SECTION 9. Initial applicability.

9 (1) This act first applies to taxable years beginning after December 31, 1998.

10 SECTION 10. Effective dates. This act takes effect on the day after publication,
11 except as follows:

12 (1) The treatment of section ^s 20.835 (2) (f) of the statutes, ^{CS} as affected by 1999
13 Wisconsin Act ~~11~~ (this act) and the treatment of section 71.07 (9e) (f) of the statutes,
14 as affected by 1999 Wisconsin Act ~~11~~ (this act) takes effect on July 1, 1999.

15 (END)

(by ^{CS} SECTION auto-ref a)

(by ^{CS} SECTION auto-ref b)



Today
State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-30374 2
MES&TAY:cmh:jf

R.M.P

1999 BILL

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

Reger

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.

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4 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
5 the following amounts for the purposes indicated:

BILL**SECTION 1**

1 1997-98 1998-99

2 **20.835 Revenue**

3 (2) TAX RELIEF

4 (kf) Earned income tax credit; tempo-
5 rary assistance for needy fami-

6 lies PR-S A -0- 58,000,000

7 **SECTION 2.** 20.445 (3) (md) of the statutes is amended to read:

8 20.445 (3) (md) *Federal block grant aids.* All block grant moneys received from
9 the federal government or any of its agencies to be expended as aids to individuals
10 or organizations and to be transferred to the appropriation accounts under s. ~~ss.~~
11 20.435 (3) (kc) and (kd), (7) (kw) and (ky) and (8) (kx) and 20.835 (2) (kf).

12 **SECTION 3.** 20.835 (2) (f) of the statutes is amended to read:

13 20.835 (2) (f) *Earned income tax credit.* A sum sufficient to pay the excess
14 claims approved under s. 71.07 (9e), except the claims paid under par. (k), that are
15 not paid under par. (kf).

16 **SECTION 4.** 20.835 (2) (f) of the statutes, as affected by 1999 Wisconsin Act
17 (this act), is amended to read:

18 20.835 (2) (f) *Earned income tax credit.* A sum sufficient to pay the ~~excess~~
19 claims approved under s. 71.07 (9e), except the claims paid under par. (k), ~~that are~~
20 ~~not paid under par. (kf).~~

21 **SECTION 5.** 20.835 (2) (kf) of the statutes is created to read:

22 20.835 (2) (kf) *Earned income tax credit; temporary assistance for needy*
23 *families.* The amounts in the schedule to be used to pay, to the extent permitted
24 under federal law the claims approved under s. 71.07 (9e), except the claims paid

↓
INSERT
2-11 →

BILL

1 under par. (k). All moneys transferred from the appropriation account under s.
2 20.445 (3) (md) shall be credited to this account.

→ SECTION #. RP; 20.835 (2) (KF), as created by 1999 Wisconsin Act ... (this act),

3 **SECTION 6.** 71.07 (9e) (f) of the statutes is amended to read:

4 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
5 amount of the claim under this subsection exceeds the taxes otherwise due under this
6 chapter or no taxes are due under this chapter, the amount of the claim not used to
7 offset taxes due shall be certified by the department of revenue to the department
8 of administration for payment by check, share draft or other draft drawn from the
9 appropriation under s. 20.835 (2) (f), (k) or (kf).

10 **SECTION 7.** 71.07 (9e) (f) of the statutes, as affected by 1999 Wisconsin Act ...
11 (this act), is amended to read:

12 71.07 (9e) (f) Except as provided in s. 71.80 (3) and (3m), if the allowable
13 amount of the claim under this subsection exceeds the taxes otherwise due under this
14 chapter or no taxes are due under this chapter, the amount of the claim not used to
15 offset taxes due shall be certified by the department of revenue to the department
16 of administration for payment by check, share draft or other draft drawn from the
17 appropriation under s. 20.835 (2) (f), or (k) or (kf).

18 **SECTION 8. Appropriation changes.**

19 (1) PROPERTY TAX RELIEF FUND TRANSFER. On or before June 30, 1999, there is
20 transferred \$38,000,000 from the general fund to the property tax relief fund.

21 (2) PUBLIC ASSISTANCE ADMINISTRATION AND BENEFITS. In the schedule under
22 section 20.005 (3) of the statutes for the appropriation to the department of workforce
23 development under section 20.445 (3) (dz) of the statutes, as affected by the acts of
24 1999, the dollar amount is increased by \$20,000,000 for fiscal year 1998-99.

BILL

SECTION 9

crossed in notes 2-11

CS

1
2
3
4
5

SECTION 9. Effective dates. This act takes effect on the day after publication, except as follows:

20.445(3)(md) (by SECTION Antoref a)

(1) The treatment of sections 20.835 (2) (f) (by SECTION 4) and 71.07 (9e) (f) (by SECTION 7) of the statutes takes effect on July 1, 1999.

(END)

and the repeal of section 20.835(2)(kf) of the statutes

BILL

INSERT 2-11

1997-98 1998-99

20.835 Revenue

(2) TAX RELIEF

(kf) Earned income tax credit; tempo-
rary assistance for needy fami-

lies

PR-S A -0- 58,000,000

SECTION 3-MRE

Autoref a

SECTION 2. 20.445 (3) (md) of the statutes, as affected by 1999 Wisconsin Act (this act), is amended to read:

20.445 (3) (md) *Federal block grant aids*. All block grant moneys received from the federal government or any of its agencies to be expended as aids to individuals or organizations and to be transferred to the appropriation accounts under ~~§ 20.435 (3) (kc) and (kd), (7) (kw) and (ky) and (8) (kx) and 20.835 (2) (kf)~~ ^{§ 5. S.} ~~and 20.835 (2) (kf)~~ ^{strike}

SECTION 3. 20.835 (2) (f) of the statutes is amended to read:

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

SECTION 4. 20.835 (2) (f) of the statutes, as affected by 1999 Wisconsin Act (this act), is amended to read:

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

SECTION 5. 20.835 (2) (kf) of the statutes is created to read:

20.835 (2) (kf) *Earned income tax credit; temporary assistance for needy families*. The amounts in the schedule to be used to pay, to the extent permitted under federal law the claims approved under s. 71.07 (9e), except the claims paid

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typist</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	yacketa 05/13/99	chanaman 05/13/99	mclark 05/13/99	_____ _____	lrb_docadmin 05/13/99		S&L

FE Sent For:

<END>

Today D-NOTE
1999 - 2000 LEGISLATURE

LRB-30371/3
MES&TAY:cmh:mrc

RMR

1999 BILL

negot.

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} \$20 million the appropriation to the department of workforce development for fiscal year 1998-99 and transfers on or before June 30, 1999, \$33 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.

37.7

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

BILL

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

BILL

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 ~~\$38,000,000~~ ^{\$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 ~~\$20,000,000~~ ^{\$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)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3037/3dn
MES&TAY:cmh:mrc

Representative Gard:

Per Rob Reinhardt, I have changed the dollar amounts in this draft and have asked that the draft be immediately jacketed for introduction. If the draft requires any further changes, you will have to return the bill jacket to the LRB or have the changes drafted as amendments to the bill.

If you have any questions, please feel free to call me.

Tina A. Yacker
Legislative Attorney
Phone: (608) 261-6927
E-mail: Tina.Yacker@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3037/3dn
MES&TAY:cmh:jf

May 14, 1999

Representative Gard:

Per Rob Reinhardt, I have changed the dollar amounts in this draft and have asked that the draft be immediately jacketed for introduction. If the draft requires any further changes, you will have to return the bill jacket to the LRB or have the changes drafted as amendments to the bill.

If you have any questions, please feel free to call me.

Tina A. Yacker
Legislative Attorney
Phone: (608) 261-6927
E-mail: Tina.Yacker@legis.state.wi.us

Now!

R.M. NOT Run

1999 BILL

Regen

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.

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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, ~~\$20.0~~ 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:

\$33.7

BILL

1 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

	1997-98	1998-99
3		
4	20.835 Revenue	
5	(2) TAX RELIEF	
6	(kf) Earned income tax credit; tempo-	
7	rary assistance for needy fami-	
8	lies	PR-S A -0- 58,000,000

9 **SECTION 2.** 20.445 (3) (md) of the statutes is amended to read:

10 20.445 (3) (md) *Federal block grant aids.* All block grant moneys received from
11 the federal government or any of its agencies to be expended as aids to individuals
12 or organizations and to be transferred to the appropriation accounts under ~~s.~~ ss.
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15 (this act), is amended to read:

16 20.445 (3) (md) *Federal block grant aids.* All block grant moneys received from
17 the federal government or any of its agencies to be expended as aids to individuals
18 or organizations and to be transferred to the appropriation accounts under ~~ss.~~ s.
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23 not paid under par. (kf).

BILL

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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
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10 under par. (k). All moneys transferred from the appropriation account under s.
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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).

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25 chapter or no taxes are due under this chapter, the amount of the claim not used to

BILL

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4 **SECTION 10. Appropriation changes.**

5 (1) PROPERTY TAX RELIÈF 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.

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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)