

1999 ASSEMBLY BILL 798

February 25, 2000 – Introduced by Representatives F. LASEE, STONE, LADWIG, REYNOLDS, URBAN, MUSSER, HASENOHRL, UNDERHEIM, KLUSMAN, ALBERS, OLSEN, KREUSER, SYKORA, RYBA, WASSERMAN, GUNDERSON, HUTCHISON, MEYERHOFER, AINSWORTH, GOETSCH, SKINDRUD, PETTIS, WILLIAMS, WAUKAU, SERATTI and COLON, cosponsored by Senators A. LASEE, DARLING, ROESSLER and ROSENZWEIG. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to amend** 71.05 (6) (b) 20. (intro.) and 71.07 (5) (a) 15.; and **to create**
 2 71.05 (6) (b) 31. of the statutes; **relating to:** creating an individual income tax
 3 subtract modification for amounts spent on medical insurance premiums by
 4 certain individuals.

Analysis by the Legislative Reference Bureau

Under current law, there is an individual income tax deduction for 50% of the amount paid by a person for a medical care insurance policy that covers the person, his or her spouse and the person's dependents if the person's employer pays no amount of money toward the person's medical care insurance.

This bill creates an individual income tax deduction for 100% of the amount paid by an individual for a medical care insurance policy that covers the individual, his or her spouse and the individual's dependents if the individual, other than a self-employed person, has no employer or if the individual's employer pays less than 100% of the cost of the individual's medical care insurance.

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.

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

ASSEMBLY BILL 798

1 **SECTION 1.** 71.05 (6) (b) 20. (intro.) of the statutes is amended to read:

2 71.05 **(6)** (b) 20. (intro.) For taxable years beginning on or after January 1,
3 1995, and before January 1, 2000, an amount paid by a person who is the employe
4 of another person if the person’s employer pays no amount of money toward the
5 person’s medical care insurance, for medical care insurance for the person, his or her
6 spouse and the person’s dependents, calculated as follows:

7 **SECTION 2.** 71.05 (6) (b) 31. of the statutes is created to read:

8 71.05 **(6)** (b) 31. For taxable years beginning after December 31, 1999, an
9 amount paid by an individual, other than a person to whom subd. 19. applies, who
10 has no employer or who is the employe of another person if the individual’s employer
11 pays less than 100% of the cost of the individual’s medical care insurance, for medical
12 care insurance for the individual, his or her spouse and the individual’s dependents,
13 calculated as follows:

14 a. One hundred percent of the amount paid by the individual for medical care
15 insurance. In this subdivision, “medical care insurance” means a medical care
16 insurance policy that covers the individual, his or her spouse and the individual’s
17 dependents and provides surgical, medical, hospital, major medical or other health
18 service coverage, and includes payments made for medical care benefits under a
19 self-insured plan, but “medical care insurance” does not include hospital indemnity
20 policies or policies with ancillary benefits such as accident benefits or benefits for loss
21 of income resulting from a total or partial inability to work because of illness,
22 sickness or injury.

23 b. From the amount calculated under subd. 31. a., subtract the amounts
24 deducted from gross income for medical care insurance in the calculation of federal
25 adjusted gross income.

