

1999 DRAFTING REQUEST

Bill

Received: **02/04/2000**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB: **99-4063/1**

For: **Barbara Gronemus (608) 266-7015**

By/Representing: **Mary**

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

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Individual income tax deduction for **medicare** supplement insurance policies

Instructions:

See Attached. Create subtract modification for amounts spent on **medicare** supplement insurance policy premiums

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>
/?	shoveme 02/04/2000	jgeller 02/04/2000		_____			State Tax
/1			jfrantze 02/07/2000	_____	lrb-docadmin 02/07/2000	lrb-docadmin 02/11/2000	

FE Sent For:

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3/7/00

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11 MES 2/4/00							

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RMMR

1999 BILL

D-note

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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.

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.

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

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

BILL

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. orb., 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.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

-4486//
LRB-4063/1dn
ME:jlw

December 27, 1999 } new date

The definitions of "medicare" and "medicare supplement policy" are taken from s. 600.03 (28m) and (28r). Please let me know if these definitions do not meet your intent.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 2664129
E-mail: Marc.Shovers@legis.state.wi.us

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

LRB-4486/1dn
MES:jlj:jf

February 7, 2000

The definitions of "medicare" and "medicare supplement policy" are taken from s. 600.03 (28m) and (28r). Please let me know if these definitions do not meet your intent.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: Marc.Shovers@legis.state.wi.us

**SUBMITTAL
'FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 02/07/2000

To: Representative Gronemus

Relating to LRB drafting number: LRB-4486

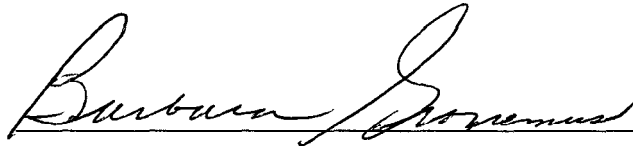
Topic

Individual income tax deduction for medicare supplement insurance policies

Subject(s)

Tax - individual income

1. **JACKET** the draft for introduction



in the **Senate** or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the **LRB's** drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to **introduction** _____

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your' flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Marc E. Shovers, Senior Legislative Attorney
Telephone: (608) 266-O 129