

1999 DRAFTING REQUEST

Bill

Received: 01/8/99

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Alberta Darling (608) 266-5830**

By/Representing: **Jim Villa**

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

Drafter: **shoveme**

May Contact:

Alt. Drafters:

Subject: **Tax - individual income
Tax Credits - miscellaneous**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Income tax credit for individuals who provide in-home care for elderly relatives

Instructions:

call for details

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>
/1	shoveme 02/23/99	ptellez 02/24/99	martykr 02/24/99	_____	lrb_docadmin 02/24/99		State
/2	shoveme 04/28/99	chanaman 04/28/99	jfrantze 04/29/99	_____	lrb_docadmin 04/29/99	lrb_docadminState 06/7/99	

FE Sent For:

G 06-10-99

<END>

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12 MES 4/28/99 cmh
FE Sent For: 4/28
1/2
6/4/29
6/4/29
<END>

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1? shoveme
11 MES 2/23/99 *sm* 2/24 *ds* 2/24

FE Sent For: 1. pgt 2/24/99

<END>

1-8-99

MM

Requester - Alberta Darling

requested by - James Villa

pr 6-5830

Topic = income tax credit for persons that
ref. or (non ref.)

in home care -- must provide in-home care of elderly
elderly person live w/ caregiver? YES - reside w/ claimant

elderly = ? (60 yrs old) relatives.

relative = ? parents, Grand, siblings, aunt, uncle
\$1,000 max / year 1st couple

may want to phase out those in higher tax
bracket - but not a concern at this

→ claimant must provide ^{point} at least more
than 50% of cost of caring for the
elderly relative



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-16667

MES:pg.1

RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

1999 BILL

[wpo = delete]

glw

1 AN ACT relating to: creating a nonrefundable income tax credit for
2 individuals who care for elderly relatives.

Analysis by the Legislative Reference Bureau

→ This bill creates a nonrefundable individual income tax credit that may be claimed by an individual who provides more than 50% of the support to an elderly relative. Under the bill, an "elderly relative" is an individual who is at least 60 years old and is related to the claimant as a parent, grandparent, brother, sister, aunt, uncle or first cousin. The elderly relative must live with the claimant for the entire taxable year to which the claim relates. The credit may be claimed for up to \$1,000 of costs incurred by the claimant in providing support to his or her elderly relative. Because the credit is nonrefundable, it is available only up to the amount of the claimant's tax liability.

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:

3 SECTION 1. 71.07 (6m) of the statutes is created to read:

4 71.07 (6m) IN-HOME CARE TAX CREDIT. (a) *Definitions*. In this subsection:

1 1. "Claimant" means an individual who provides more than 50% of the support
2 for an elderly relative in the taxable year to which a claim under this subsection
3 relates.

4 2. "Elderly relative" means an individual who is at least 60 years old in the year
5 to which a claim under this subsection relates; is the claimant's parent, grandparent,
6 brother, sister, aunt, uncle or first cousin; and is related to the claimant by blood,
7 marriage or adoption.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
9 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
10 amount of those taxes, an amount up to \$1,000 each taxable year for costs incurred
11 by the claimant in providing support for an elderly relative who lives with the
12 claimant for the entire taxable year to which the claim relates.

13 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
14 is claimed within the time period under s. 71.75(2).

15 2. For a claimant who is a nonresident or part-year resident of this state,
16 multiply the credit for which the claimant is eligible under par. (b) by a fraction the
17 numerator of which is the individual's wages, salary, tips, unearned income and net
18 earnings from a trade or business that are taxable by this state and the denominator
19 of which is the individual's total wages, salary, tips, unearned income and net
20 earnings from a trade or business. In this subdivision, for married persons filing
21 separately "wages, salary, tips, unearned income and net earnings from a trade or
22 business" means the separate wages, salary, tips, unearned income and net earnings
23 from a trade or business of each spouse, and for married persons filing jointly "wages,
24 salary, tips, unearned income and net earnings from a trade or business" means the

1 total wages, salary, tips, unearned income and net earnings from a trade or business
2 of both spouses.

3 (d) *Administration*. Section 71.07 (9e) (d), to the extent that it applies to the
4 credit under that subsection, applies to the credit under this subsection.

5 **SECTION 2.** 71.08 (1) (intro.) of the statutes is amended to read:

6 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
7 couple filing jointly, trust or estate under s. 71.02, not considering the credits under
8 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2fd), (3m), (3s), (6),
9 (6m) and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and
10 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1fd), (2m) and (3) and subchs. VIII
11 and IX and payments to other states under s. 71.07 (7), is less than the tax under this
12 section, there is imposed on that natural person, married couple filing jointly, trust
13 or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
14 as follows:

15 **SECTION 3.** 71.10 (4) (cm) of the statutes is created to read:

16 71.10 (4) (cm) The in-home care tax credit under s. 71.07 (6m).

17 **SECTION 4. Initial applicability.**

18 (1) This act first applies to taxable years beginning on January 1 of the year
19 in which this subsection takes effect, except that if this subsection takes effect after
20 July 31, this act first applies to taxable years beginning on January 1 of the year
21 following the year in which this subsection takes effect.

22 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1666/2

MES:pt:km

cm4

Rmt

1999 BILL

D-note

SOON

egm

1 AN ACT *to amend* 71.08 (1) (intro.); and *to create* 71.07 (6m) and 71.10 (4) (cm)
2 of the statutes; **relating to:** creating a nonrefundable income tax credit for
3 individuals who care for elderly relatives.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit that may be claimed by an individual who provides more than 50% of the support to an elderly relative. Under the bill, an "elderly relative" is an individual who is at least 60 years old and is related to the claimant as a parent, grandparent, brother, sister, aunt, uncle or first cousin. The elderly relative must live with the claimant for the entire taxable year to which the claim relates. The credit may be claimed for up to \$1,000 of costs incurred by the claimant in providing support to his or her elderly relative. Because the credit is nonrefundable, it is available only up to the amount of the claimant's tax liability.

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:

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BILL

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 7 marriage or adoption.

8 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
 9 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
 10 amount of those taxes, an amount up to \$1,000 each taxable year for costs incurred
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 12 claimant for the entire taxable year to which the claim relates.

13 (c) *Limitations.* 1. No credit may be allowed under this subsection unless it
 14 is claimed within the time period under s. 71.75 (2).

15 2. For a claimant who is a nonresident or part-year resident of this state and
 16 multiply the credit for which the claimant is eligible under par. (b) by a fraction the
 17 numerator of which is the individual's ^{Wisconsin adjusted gross income} ~~wages, salary, tips, unearned income and net~~
 18 ~~earnings from a trade or business that are taxable by this state~~ and the denominator
 19 of which is the individual's ^{federal adjusted gross income.} ~~total wages, salary, tips, unearned income and net~~
 20 ~~earnings from a trade or business.~~

21 ^{If a claimant is married and} In this subdivision, for married persons filing
 22 ^{files a joint return, and if the claimant or the claimant's spouse,} separately "wages, salary, tips, unearned income and net earnings from a trade or
 23 ^{or both, are nonresidents or part-year residents of this state,} multiply
 24 ^{business" means the separate wages, salary, tips, unearned income and net earnings} the credit for which the claimant is eligible under par. (b) by a
 fraction the numerator of which is the couple's joint ^{Wisconsin} ~~adjusted gross income~~ and the denominator of which is the
 couple's joint federal adjusted gross income.

BILL

1 total wages, salary, tips, unearned income and net earnings from a trade or business
2 of both spouses.

3 (d) Administration. ^{Subsection} ~~Section 71.07~~ (9e) (d), to the extent that it applies to the
4 credit under that subsection, applies to the credit under this subsection.

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19 in which this subsection takes effect, except that if this subsection takes effect after
20 July 31, this act first applies to taxable years beginning on January 1 of the year
21 following the year in which this subsection takes effect.

22

(END)

O. N. O. R.

This version of the bill changes the fraction by which a nonresident's or part-year resident's credit is multiplied, based on a suggestion made by the Department of Revenue.

The change is M S A

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

LRB-1666/2dn
MES:cmh:jf

April 29, 1999

This version of the bill changes the fraction by which a nonresident's or part-year resident's credit is multiplied. The change is based on a suggestion made by the Department of Revenue.

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

LRB.Legal

From: Shovers, Marc
Sent: Monday, June 07, 1999 1:03 PM
To: LRB.Legal
Subject: FW:

-----Original Message-----

From: Villa, Jim
Sent: Monday, June 07, 1999 12:56 PM
To: Shovers, Marc
Subject:

Marc

Can we please get LRB 1666 jacketed? Sorry it took me so long to get back to you on this, it was at the bottom of one of the piles on my desk ☺

Thanks
Jim



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561
REFERENCE SECTION: (608) 266-0341
FAX: (608) 266-5648

STEPHEN R. MILLER
CHIEF

July 19, 1999

LRB
2

MEMORANDUM

To: Senator Darling

From: Marc E. Shovers, Sr. Legislative Attorney, (608) 266-0129

Subject: Technical Memorandum to **1999 SB 192** (LRB 99-1666/2)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

July 13, 1999

TO: Marc Shovers
Legislative Reference Bureau

FROM: Yeang-Eng Braun *UEB*
Department of Revenue

SUBJECT: Technical Memorandum on SB 192 – Individual Income Tax Credit for In-Home Care of Elderly Relatives

The proposed legislation makes no provision for the funding of the costs involved in administering the activities required. If the author wishes to provide funding, appropriation language could be developed and costs allocated in the following manner:

	<u>Chapter 20</u>	<u>Amount</u>	<u>FTE</u>
<u>FY 1999-00</u>			
one-time	s. 20.566 (1) (a)	\$70,400	
<u>FY 2000-01</u>			
one-time	s. 20.566 (1) (a)	\$18,800	
annual	s. 20.566 (1) (a)	\$66,200	1.5 FTE

If you have any questions regarding this technical memorandum, please contact Pat Lashore at 266-3347.

YEB:CK:ds
t:\fsn99-00\ck\sb192.tec