

1999 DRAFTING REQUEST

Bill

Received: **03/18/99**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Gary Drzewiecki (608) 266-5670**

By/Representing: **Louie**

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 medical insurance premiums

Instructions:

See Attached. Create subtract modification for 100% of costs of medical care insurance premiums paid by persons whose employers don't provide medical care insurance.

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 04/12/99	ygeller 04/14/99	jfrantze 04/15/99	_____	lrb_docadmin 04/15/99	lrb_docadminState 07/21/99	Tax

FE Sent For:

8/17/99

<END>

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/?	shoveme	1 4/14 jlg	4/15	4/15			

FE Sent For:

<END>

Sen. Dryzwicki

Louie

allow retired, unemployed people to
be able to deduct health care ins.
~~for~~ premiums.

Retired:

everyone can get it

across the board, 100%

★ Everyone who ~~has~~ doesn't have
insurance paid for by employer





State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2530/1

MES.....

JLJ
PMB

1999 BILL

(Handwritten signature)

1 AN ACT ..., relating to: creating an individual income tax subtract modification
2 for 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 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.

other than a self-employed person

an individual not a individual

This bill creates an individual income tax deduction for 100% 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 has no employer or if the employer pays no amount of money toward the person's medical care insurance.

individual (use twice)

individuals

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:

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

4 71.05 (6) (b) 20. (intro.) For taxable years beginning on or after January 1, 1995,
5 and before January 1, 2000, an amount paid by a person who is the employe of

BILL

1 another person if the person's employer pays no amount of money toward the person's
2 medical care insurance, for medical care insurance for the person, his or her spouse
3 and the person's dependents, calculated as follows:

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237.

4 SECTION 2. 71.05 (6) (b) 29. of the statutes is created to read:

5 71.05 (6) (b) 29. ~~Title A~~ ^{NO} ~~§~~

6 ~~SECTION 5. 71.05 (6) (b) 20. of the statutes is amended to read:~~ ^{December 31, 1999}

7 ~~71.05 (6) (b) 20.~~ For taxable years beginning ~~on or after January 1, 1995,~~ ^{December 31, 1999} an
8 other than a person to whom subd. 19. applies, who has no employer or
9 amount paid by ~~a person~~ ^{an individual} who is the employe of another person if the ~~person's~~ ^{individual's}
10 employer pays no amount of money toward the ~~person's~~ ^{individual's} medical care insurance, for
11 medical care insurance for the ~~person,~~ ^{individual} his or her spouse and the ~~person's~~ ^{individual's} dependents,
12 calculated as follows:

13 a. ~~One hundred~~ ^{One hundred} percent of the amount paid by the ~~person~~ ^{individual} for medical care insurance.

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

21 b. From the amount calculated under subd. ~~20.~~ ²⁹ a., subtract the amounts
22 deducted from gross income for medical care insurance in the calculation of federal
23 adjusted gross income.

24 c. ~~For a person who is a nonresident or a part-year resident of this state, modify~~
~~the amount calculated under subd. 20. b. by multiplying the amount by a fraction the~~

BILL

1 numerator of which is the person's net earnings from a trade or business taxable by
 2 this state and the denominator of which is the person's total net earnings from a trade
 3 or business. *(INS. B, from p. 3, ll. 20-22) ✓*

4 d. ~~Reduce the amount calculated under subd. 20. b. or c. to the person's~~
 5 ~~aggregate net earnings from a trade or business that are taxable by this state.~~

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237.

6 SECTION 4. ~~71.05 (6) (b) 28. e.~~ of the statutes is amended to read:

7 ~~71.05 (6) (b) 28. e.~~ For an individual who is a nonresident or part-year resident
 8 of this state, multiply the amount calculated under subd. ~~28. b.~~²⁹ b., ~~and~~ by a fraction
 9 the numerator of which is the individual's wages, salary, tips, unearned income and
 10 net earnings from a trade or business that are taxable by this state and the
 11 denominator of which is the individual's total wages, salary, tips, unearned income
 12 and net earnings from a trade or business. In this subd. ~~28. b.~~^{29 c}, for married persons
 13 filing separately "wages, salary, tips, unearned income and net earnings from a trade
 14 or business" means the separate wages, salary, tips, unearned income and net
 15 earnings from a trade or business of each spouse, and for married persons filing
 16 jointly "wages, salary, tips, unearned income and net earnings from a trade or
 17 business" means the total wages, salary, tips, unearned income and net earnings
 18 from a trade or business of both spouses.

INS. A move to p. 3

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237.

19 SECTION 5. ~~71.05 (6) (b) 28. f.~~ of the statutes is amended to read: *(29)*

20 ~~71.05 (6) (b) 28. f.~~ Reduce the amount calculated under subd. ~~28. f.~~^{29 d} to the
 21 individual's aggregate wages, salary, tips, unearned income and net earnings from
 22 a trade or business that are taxable by this state.

INS. B. move to p. 4

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237.

23 SECTION 6. 71.07 (5) (a) 15. of the statutes is amended to read:

BILL

1 71.07 (5) (a) 15. The amount claimed as a deduction for medical care insurance
 2 under section 213 of the Internal Revenue Code that is exempt from taxation under
 3 s. 71.05 (6) (b) 17. to 20. and 29[✓] and the amount claimed as a deduction for a
 4 long-term care insurance policy under section 213 (d) (1) (D) of the Internal Revenue
 5 Code, as defined in section 7702B (b) of the Internal Revenue Code that is exempt
 6 from taxation under s. 71.05 (6) (b) 26.

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.

7 Sec. # (B) Initial applicability. ~~(C)~~ ^(#) This act first
 applies to taxable years beginning on January
 1, 2000.
 (END)

**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: 4/15/99

To: Senator Drzewiecki

Relating to LRB drafting number: LRB-2530

Topic

Individual income tax deduction for medical insurance premiums

Subject(s)

Tax - individual income

1. JACKET the draft for introduction *Amy F. Demiecki*

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) 266-0129



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

LRB
2

October 8, 1999

MEMORANDUM

To: Senator Drzewiecki

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

Subject: Technical Memorandum to **1999 SB 218** (LRB 99-2530/1)

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

October 6, 1999

TO: Marc Shovers
Legislative Reference Bureau

FROM: Yeang-Eng Braun ^{YEB}
Department of Revenue

SUBJECT: Technical Memorandum on Senate Bill 218, Relating to an Individual Income Tax Deduction for Certain Health Insurance Premiums

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>
one-time	s. 20.566 (1) (a)	\$9,400	
annual	s. 20.566 (1) (a)	\$40,800	

If you have any questions regarding these costs, please contact Pat Lashore at 266-3347.

YEB:DC:skr
t:\fsn99-00\dc\sb218.tec