

1999 SENATE BILL 458

March 8, 2000 – Introduced by Senators LAZICH, DARLING, DRZEWIECKI, HUELSMAN, A. LASEE and ROESSLER, cosponsored by Representatives GRONEMUS, GUNDERSON, STONE, NASS, MUSSER, HUEBSCH, ALBERS, BERCEAU, COLON, HASENOHRL, MILLER, POCAN, REYNOLDS, RYBA and WAUKAU. Referred to Joint survey committee on Tax Exemptions.

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. of the statutes is created to read:

SENATE BILL 458

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. or b., 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.

