

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0188/1dn

MS:cmh:mrc

November 8, 1999

Please review this bill very carefully, particularly the repeals of bill section numbers in 1999 Wisconsin Act 9, to ensure that this bill meets your intent. The underlying drafts from which the repealed bill sections are taken are 1999 LRB-1917/1 (the governor's changes to the individual income tax structure that includes changes to the rates, brackets and standard deduction), LRB-0574 (the governor's changes to the itemized deduction credit that relates to educational expenses) and LRBb0688 (an LRB amendment that made technical changes to the income tax changes and created s. 71.05 (22) (dt)).

This bill does not affect the following income tax changes that were made in Act 9:

1. Changes to s. 71.05 (6) (b) 28. (intro.), e. and f., and nonstat bill section 9343 (3), relating to the tuition expense deduction (see LRB-0573);

2. The creation of s. 71.05 (6) (b) 29., creating a subtract modification for certain amounts claimed as federal itemized deductions (see LRBb0667);

3. The creation of s. 71.05 (6) (b) 30., creating a subtract modification for settlements received by Holocaust survivors from Nazi Germany and former Axis powers (see LRBb1009);

4. Act 9 bill section 9343 (4), the initial applicability for s. 71.07 (5) (a) 8., from LRB-0574, the substance of which is contained in (repealed) Act 9 bill section 1712, because it contains parentheses;

5. Section 71.75 (8) and Act 9 initial app. bill section 9343 (9), which relates to income tax refunds for formerly married persons;

6. Sections 71.02 (1) and 71.14 (3) (intro.) and (3m), and Act 9 initial app. bill section 9343 (13g), which relates to the taxation of trusts; and

7. Act 9 bill section 9343 (20), the initial applicability for the income tax structure changes from LRB-1917/1 and the init. app. for created s. 71.05 (6) (b) 29., described in item #2, because it contains parentheses and because of the cross-reference to s. 71.05 (6) (b) 29.

Please let me know if this is not consistent with you intent.

I also have some concerns about the meaning of created s. 77.64 (5) (j), which is from assembly amendment 6 to Special Session AB-1. That paragraph states that "The

department shall calculate the rebate for the family only of an individual who has been, or was, incarcerated in a state or federal prison during the taxable year to which 1999 Wisconsin Act (this act) applies.”

I don't know what it means for DOR to “calculate the rebate for the family only” of someone who was incarcerated in 1998. On what basis is the rebate to be calculated? Once the rebate is calculated, there is no prohibition against anyone who was incarcerated in a state or federal prison in 1998 from receiving the rebate, although under s. 77.64 (5) (k), which is from assembly (floor) amendment 7 to Special Session AB-1, the check may not be sent to any state or federal prison facility. Section 77.64 (5) (j) does not seem to have any application to a single individual who was incarcerated in 1998, and s. 77.64 (5) (k) only restricts the location to which the check may be sent.

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