

1999 – 2000 LEGISLATURE
October 1999 Special Session

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SENATE SUBSTITUTE AMENDMENT 2,
TO ASSEMBLY BILL 1

November 10, 1999 – Offered by Senator CHVALA.

1 AN ACT *to amend* 20.003 (4) (b); *to create* 20.003 (4) (c), 20.835 (2) (am) and 77.64
2 of the statutes; and *to affect* Notwithstanding s. 990.03 (3), 1999 Wisconsin Act
3 9, sections 1674, 1688d, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696,
4 1697, 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1714,
5 1715, 1716, 1717, 1721, 1722, 1784, 1785 and 1787 and 1999 Wisconsin Act 9,
6 section 9143 (3g); **relating to:** creating a tax rebate for individuals, modifying
7 the individual income tax rates and brackets structure, changing the standard
8 deduction, eliminating a personal individual income tax exemption, changing
9 the school property tax rent credit, reducing the amount that is available under
10 the school levy tax credit, the school aid distribution schedule, changing the
11 required statutory balance, granting rule-making authority and making an
12 appropriation.

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

1 **SECTION 1.** 20.003 (4) (b) of the statutes, as created by 1999 Wisconsin Act 9,
2 is amended to read:

3 20.003 **(4)** (b) For fiscal year 2000–01, ~~1.2%~~ 1%.

4 **SECTION 2.** 20.003 (4) (c) of the statutes is created to read:

5 20.003 **(4)** (c) For fiscal year 2001–02, 1.2%.

6 **SECTION 3.** 20.835 (2) (am) of the statutes is created to read:

7 20.835 **(2)** (am) *Onetime rebate of nonbusiness consumer sales tax.* A sum
8 sufficient to pay the aggregate claims approved under s. 77.64.

9 **SECTION 4.** 77.64 of the statutes is created to read:

10 **77.64 Onetime rebate of nonbusiness consumer sales tax paid by**
11 **individuals. (1) DEFINITIONS.** In this subsection:

12 (a) “Claimant” means an individual who is eligible under sub. (3) to receive or
13 claim a rebate under this section.

14 (b) “Department” means the department of revenue.

15 (c) “Nonresident” means an individual who was not a resident of this state for
16 any part of 1998.

17 (d) “Part–year resident” means an individual who was a resident of this state
18 for some part of 1998.

19 (e) “Resident” means an individual who was a full–year resident of this state
20 in 1998.

21 **(2) CLAIMS.** Subject to the limitations and conditions under sub. (5) a claimant
22 may claim, or is eligible to receive, a rebate that is calculated under sub. (4). The
23 department shall certify the amount of the rebate for which the claimant is eligible
24 to the department of administration for payment to the claimant by check, share
25 draft or other draft paid from the appropriation under s. 20.835 (2) (am).

1 **(3) ELIGIBILITY.** (a) An individual who was a resident and who filed a 1998
2 Wisconsin income tax return or 1998 homestead credit claim is eligible to receive a
3 rebate under sub. (2).

4 (b) An individual who was a resident and who did not file a 1998 Wisconsin
5 income tax return or 1998 homestead credit claim by October 15, 1999, is eligible to
6 receive a rebate under sub. (2) only if the individual files a claim with the department
7 not later than June 30, 2000. The claim shall be filed on a form prepared by the
8 department not later than 60 days after the effective date of this paragraph
9 [revisor inserts date].

10 (be) A married individual who is a resident and whose spouse is a nonresident,
11 and who filed a 1998 Wisconsin income tax return, is eligible to receive a rebate under
12 sub. (2), calculated by the department based on the couple's Wisconsin adjusted gross
13 income.

14 (bm) A married individual who is a resident and whose spouse is a nonresident,
15 and who did not file a 1998 Wisconsin income tax return by October 15, 1999, is
16 eligible to receive a rebate under sub. (2), calculated by the department, only if the
17 couple files a claim with the department not later than June 30, 2000. The claim
18 shall be filed on a form prepared by the department not later than 60 days after the
19 effective date of this paragraph [revisor inserts date].

20 (c) An individual who was a part-year resident and who filed a 1998 Wisconsin
21 income tax return or a married couple, of whom one of the spouses was a part-year
22 resident and the other spouse was either a part-year resident or a resident, and who
23 filed a 1998 Wisconsin income tax return, is eligible to receive a rebate under sub.
24 (2), calculated by the department based on the individual's or couple's Wisconsin
25 adjusted gross income.

1 (d) An individual who was a part–year resident and who did not file a 1998
2 Wisconsin income tax return by October 15, 1999, or a married couple, of whom one
3 of the spouses was a part–year resident and the other spouse was either a part–year
4 resident or a resident, and who did not file a 1998 Wisconsin income tax return by
5 October 15, 1999, is eligible to receive a rebate under sub. (2), calculated by the
6 department, only if the individual or couple files a claim with the department not
7 later than June 30, 2000. The claim shall be filed on a form prepared by the
8 department not later than 60 days after the effective date of this paragraph
9 [revisor inserts date].

10 (de) A married individual who is a part–year resident and whose spouse is a
11 nonresident, and who filed a 1998 Wisconsin income tax return, is eligible to receive
12 a rebate under sub. (2), calculated by the department based on the couple’s Wisconsin
13 adjusted gross income.

14 (dm) A married individual who is a part–year resident and whose spouse is a
15 nonresident, and who did not file a 1998 Wisconsin income tax return by October 15,
16 1999, is eligible to receive a rebate under sub. (2), calculated by the department, only
17 if the couple files a claim with the department not later than June 30, 2000. The
18 claim shall be filed on a form prepared by the department not later than 60 days after
19 the effective date of this paragraph [revisor inserts date].

20 (e) An individual who was a nonresident is eligible to receive a rebate under
21 sub. (2) if the individual files a claim with the department not later than 30 days after
22 the effective date of this paragraph [revisor inserts date]. The claim shall be filed
23 on a form prepared by the department. The form shall require a nonresident to
24 document his or her nonbusiness consumer sales taxes paid to Wisconsin in 1998,
25 and the documented amount must be at least \$20 for a nonresident to be eligible to

1 receive a rebate under sub. (2). An individual who was a nonresident is not eligible
2 to receive a rebate under this paragraph if the individual's spouse is eligible to
3 receive a rebate under this subsection as a resident or part-year resident.

4 **(4) CALCULATION.** (a) A claimant who is a resident and married and filed a joint
5 1998 Wisconsin income tax return or 1998 homestead credit claim shall be eligible
6 for a rebate in one of the following amounts:

7 1. If the couple's 1998 Wisconsin adjusted gross income is not more than
8 \$25,000, \$370.

9 2. If the couple's 1998 Wisconsin adjusted gross income is more than \$25,000
10 but not more than \$50,000, \$378.

11 3. If the couple's 1998 Wisconsin adjusted gross income is more than \$50,000
12 but not more than \$75,000, \$397.

13 4. If the couple's 1998 Wisconsin adjusted gross income is more than \$75,000,
14 \$420.

15 (b) A claimant who is a resident and single and filed a 1998 Wisconsin income
16 tax return or 1998 homestead credit claim, or who is a resident and married and filed
17 a separate 1998 Wisconsin income tax return, or who is a resident and filed a 1998
18 Wisconsin income tax return as a head of household, shall be eligible for a rebate in
19 one of the following amounts:

20 1. If the individual's 1998 Wisconsin adjusted gross income is not more than
21 \$25,000, \$189.

22 2. If the individual's 1998 Wisconsin adjusted gross income is more than
23 \$25,000 but not more than \$37,500, \$199.

24 3. If the individual's 1998 Wisconsin adjusted gross income is more than
25 \$37,500, \$210.

1 (c) A claimant who files a form specified in sub. (3) (b) shall be eligible for a
2 rebate in an amount specified in par. (a) 1. or (b) 1., depending on the individual's
3 filing status.

4 (d) A claimant to whom sub. (3) (be), (c) or (de) applies shall be eligible for a
5 rebate in an amount specified in par. (a) or (b), depending on the individual's filing
6 status and Wisconsin adjusted gross income.

7 (e) A claimant who files a form specified in sub. (3) (bm), (d) or (dm) shall be
8 eligible for a rebate in an amount specified in par. (a) 1. or (b) 1., depending on the
9 individual's filing status.

10 (f) A claimant under sub. (3) (e) shall be eligible for a rebate that is equal to
11 30.4% of documented nonbusiness consumer sales taxes paid to Wisconsin in 1998,
12 up to a maximum rebate of \$210.

13 **(5) LIMITATIONS AND CONDITIONS.** (a) The department shall establish a date after
14 which the department may not consider any adjustments or amendments made to
15 a Wisconsin income tax return in its calculation of a rebate.

16 (c) If an individual who is eligible for a rebate filed only a homestead credit
17 claim, the department shall calculate the individual's rebate as if the individual's
18 Wisconsin adjusted gross income is \$25,000.

19 (d) An individual who was claimed as a dependent on another individual's
20 federal income tax return for the taxable year on which the calculation of the rebate
21 is based is not eligible to claim or receive a rebate.

22 (f) The department may enforce the rebate and may take any action, conduct
23 any proceeding and proceed as it is authorized in respect to income taxes. The income
24 tax provisions relating to assessments, refunds, appeals, collection, interest and

1 penalties apply to the rebate. The department may promulgate rules as necessary
2 to implement the rebate provision.

3 (j) The department shall calculate the rebate for the family only of an individual
4 who has been, or was, incarcerated in a state or federal prison during the taxable year
5 to which the rebate applies.

6 (k) The department may not send any rebate checks to any state or federal
7 prison facility.

8 **SECTION 5.** Notwithstanding s. 990.03 (3), 1999 Wisconsin Act 9, sections 1674,
9 1688d, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699,
10 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1714, 1715, 1716, 1717, 1721,
11 1722, 1784, 1785 and 1787 are repealed.

12 **SECTION 6.** 1999 Wisconsin Act 9, section 9143 (3g) is repealed.

13 **SECTION 7. Nonstatutory provisions.**

14 (1) DETERMINATIONS OF ELIGIBILITY OR EXTENT OR AMOUNT OF CERTAIN BENEFITS.

15 (a) In this subsection, “state agency” has the meaning given in section 16.417
16 (1) (a) of the statutes.

17 (b) Notwithstanding any other provision of state law that relates to
18 determining, based on an individual’s personal income or assets, that individual’s
19 eligibility for a state–funded grant, loan, monetary assistance or other benefit or the
20 amount or extent of that grant, loan, monetary assistance or other benefit, a state
21 agency may not consider receipt of a onetime rebate of nonbusiness consumer sales
22 tax, as created by this act, to be income or an asset of the individual in the month of
23 receipt or in the month immediately thereafter. This paragraph shall be broadly
24 construed to avoid determinations of ineligibility for a state–funded grant, loan,
25 monetary assistance or other benefit.

1 (c) By December 1, the department of health and family services shall request
2 a waiver, to the extent permitted under federal law, from the secretary of the federal
3 department of health and human services, and shall amend the state plan for
4 services under 42 USC 1396, to authorize the department of health and family
5 services to disregard receipt by an individual of a onetime rebate of nonbusiness
6 consumer sales tax, as created by this act, in determining the individual's eligibility
7 for medical assistance.

8 (d) To the extent permitted under federal law, a state agency shall disregard
9 receipt by an individual of a onetime rebate of nonbusiness consumer sales tax, as
10 created by this act, in determining the individual's eligibility for a federally funded
11 grant, loan, monetary assistance or other benefit or in determining the amount or
12 extent of that grant, loan, monetary assistance or other benefit.

13 (2) SCHOOL AID PAYMENT DELAY.

14 (a) Notwithstanding section 121.15 (1) and (1g) of the statutes, the department
15 of public instruction shall reduce the payments made to school districts in June 2001
16 by \$25,000,000 and instead pay that amount to school districts on July 2, 2001. The
17 department of public instruction shall set the secondary guaranteed valuation per
18 member to distribute equalization aid as if the payments had not been delayed.

19 (b) Notwithstanding section 121.15 (1m) (a) 3. of the statutes, the department
20 of public instruction shall make the payment under that subdivision on July 2, 2001
21 instead of July 23, 2001. Notwithstanding section 121.15 (1m) (b) of the statutes, the
22 department of public instruction shall reduce only the payments made in June 2001
23 to make the payments under this paragraph.

24 **SECTION 8. Appropriation changes; revenue.**

1 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation
2 to the department of revenue under section 20.566 (1) (a) of the statutes, as affected
3 by the acts of 1999, the dollar amount is increased by \$2,357,500 for fiscal year
4 1999–00 to increase funding for the purposes for which the appropriation is made.

5

(END)