

**1999 Oc9 DRAFTING REQUEST**

**Senate Substitute Amendment (SSA-AB1)**

Received: 11/05/1999

Received By: **shoveme**

Wanted: **Soon**

Identical to LRB:

For: **Charles Chvala (608) 266-9170**

By/Representing: **Sen. Chvala**

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

Drafter: **shoveme**

May Contact: **LFB**

Alt. Drafters: **jkreye  
grantpr  
malaigm  
champra**

Subject: **Tax - individual income  
Tax - sales  
Tax Credits - miscellaneous  
State Finance - miscellaneous  
Children - miscellaneous**

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Onetime tax rebate, school property tax credit, general fund balance, work based learning board, graduation test

**Instructions:**

See Attached

**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>
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/1			mclark 11/08/1999	_____	lrb_docadmin 11/08/1999	lrb_docadmin 11/08/1999	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2	shoveme 11/09/1999	gilfokm 11/09/1999	hhagen 11/09/1999	_____	lrb_docadmin 11/10/1999	lrb_docadmin 11/10/1999	
/3	shoveme 11/10/1999	gilfokm 11/10/1999	haugeca 11/10/1999	_____	lrb_docadmin 11/10/1999	lrb_docadmin 11/10/1999	

FE Sent For:

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11/09/1999      11/09/1999      11/09/1999      \_\_\_\_\_      11/10/1999      11/10/1999

13 MES 11/10/99  
FE Sent For:

CH  
11-9  
CH  
11-9  
END

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Extra Copies: ~~FMB~~  
ALL EDITORS

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**Topic:**

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**Instructions:**

See Attached

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/1	<div style="border: 1px solid black; padding: 2px; display: inline-block;">/2 kmg 11/9 ... 11/9</div>		mclark 11/08/1999	_____	lrb_docadmin 11/08/1999	lrb_docadmin 11/08/1999	

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

12 MES 11/9/99

FE Sent For:

<END>

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Drafter: **shoveme**

May Contact: **LFB**

Alt. Drafters: **jkreye DAK**  
**grantpr**  
~~**phoign**~~  
**champra**

Subject: **Tax - individual income**  
**Tax - sales**  
**Tax Credits - miscellaneous**  
**State Finance - miscellaneous**  
~~**Children - miscellaneous**~~

Extra Copies: **PJD**

**Pre Topic:**

No specific pre topic given

**Topic:**

*See Attached*  
Onetime tax rebate, school property tax credit, general fund balance, work based learning board, graduation  
~~cost~~

**Instructions:**

See Attached

**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	cm # 1	MRC 11/8	MRC/HH 11/8			
<i>11 MES 11/8/99 1/8</i>							

FE Sent For:

<END>



## Champagne, Rick

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**From:** Burnett, Douglas  
**Sent:** Saturday, November 06, 1999 11:30 AM  
**To:** Champagne, Rick  
**Cc:** Ammerman, Fred; Doty, Kelsie; Reinhardt, Rob; Lang, Bob  
**Subject:** RE:

You should be working off of the November 5 LFB memo to Sen. Chvala, which supersedes the Nov. 3 e-mail. I faxed copies of the memo to Steve Miller and to Marc Shovers.

The ending balance and the statutory balance are 2 different things. I don't believe you need to draft anything related to the ending balance-it just happens as part of the general fund condition statement. The statutory balance was vetoed in the second year. You just need to draft it back to the pre-vetoed enrolled bill.

You can also talk to LFB on this-I have copied them on this e-mail, and they can correct me if I'm wrong on any of this.

Thanks Rick!

Doug Burnett  
Office of Senate Majority Leader Chuck Chvala  
608-266-9170

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

**From:** Champagne, Rick  
**Sent:** Saturday, November 06, 1999 8:06 AM  
**To:** Burnett, Douglas  
**Subject:**

Doug --

I'm working on a small part of your tax rebate draft and have a question about Item 8. on the Nov. 3 e-mail to the Fiscal Bureau. My question is what is your intent on that Item? Do you want to have the statutory balance for fiscal year 1999-2000 be \$1 million? Or, is there something else that you're trying to achieve? Also, to what extent do Items 4 (returning to the conference position on the statutory balance) and 8 conflict? I'll be in and out of the office over the weekend. Talk to you soon.

Rick

**Legislative Fiscal Bureau**

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

November 5, 1999

**TO:** Senator Charles Chvala  
Room 211 South, State Capitol

**FROM:** Bob Lang, Director

**SUBJECT:** Sales Tax Rebate Proposal

At your request, this memorandum outlines the provisions of your sales tax rebate proposal. Listed below is a description of each provision of your proposal and the change to the 1999-01 general fund balance (in millions) of each item to 1999 Act 9 (the 1999-01 budget as partially vetoed).

Change to Act 9  
General Fund Balance

1. Individual Income Tax. Retain the Act 9 increase in the property tax/rent credit (PTRC) from 10% of property taxes or rent constituting property taxes to 16.4% in tax year 1999. Compared to prior law, the maximum credit would increase from \$200 to \$328 in that year. Eliminate the provisions of Act 9 that modify the individual income tax structure from prior law in tax year 2000 and thereafter, including the Act 9 provision that eliminates the PTRC beginning with tax year 2001. The PTRC would be retained at 10% up to \$200 in tax years 2000 and thereafter under this proposal. In total, these modifications would increase income tax revenues by an estimated \$572.7 million in 2000-01 compared to Act 9.

\$572.7

2. Sales Tax Rebate. Provide a one-time sales tax rebate in 1999-00 at an estimated cost of \$700 million. The rebate would be identical to the provisions of SB 275 and SS AB 1 as adopted by the Joint Committee on Finance, except that the rebate schedule would be replaced with the one shown below.

-\$700.0

Change to Act 9  
General Fund Balance

**Sales Tax Rebate Proposal**

<u>Married-Joint</u>			<u>Single, Head-of-Household &amp; Married-Separate</u>		
<u>Wisconsin AGI</u>	<u>Sales Tax Rebate</u>		<u>Wisconsin AGI</u>	<u>Sales Tax Rebate</u>	
	<u>Amount</u>	<u>% of AGI</u>		<u>Amount</u>	<u>% of AGI</u>
\$25,000 and Under	\$370	1.48%	\$25,000 and Under	\$189	0.76%
25,001 to 50,000	378	1.01	25,001 to 37,500	199	0.64
50,001 to 75,000	397	0.64	37,501 and Over	210	0.56
75,001 and Over	420	0.56			

- 3. Sales Tax Rebate Administration. Provide \$2.4 million in 1999-00 to the Department of Revenue for administration of the sales tax rebate. -\$2.4
- 4. School Levy Credit. Repeal the \$60,000,400 increase in the credit created by Act 9 for the December, 2000, property tax levy. \$60.0
- 5. Required Statutory Balance. Set the required statutory balance at 1.0% of the sum of general fund gross appropriations and compensation reserves for 2000-01. Through a partial veto, Act 9 increases the balance to 1.2% in 2000-01. \$22.4
- 6. Modify Current General School Aids Payment Delay. Modify the current \$75 million payment delay to eliminate the proportional reductions to the quarterly payments of general school aids beginning in 2000-01. Instead, the entire \$75 million payment delay would be taken from the final June payment. This provision is estimated to reduce general fund interest earnings by \$1.2 million in 2000-01, and would provide a corresponding benefit to the cashflow of school districts. -\$1.2
- 7. Increase General School Aids Payment Delay by \$25 Million. Delay the payment of \$25 million of equalization aid in 2000-01 until the first Monday in July of the following fiscal year. Specify that school district aid entitlements in 2000-01 would be calculated including the \$25 million and that the payment delay would come out of the June quarterly aid payment, which is paid on the third Monday of June. Provide that this payment delay would be a permanent change and that school districts would count this aid as a receipt in the prior year. Provide that the current \$75 million delayed payment, which is paid on the fourth Monday in July, would also be paid on the first Monday in July beginning in July, 2001. This \$25 million payment delay is estimated to increase general fund interest earnings by \$0.1 million.

*\$25.1 the school aid distribution schedule,*

**Change to Act 9**  
**General Fund Balance**

in 2000-01, and would result in a corresponding reduction in interest earnings by school districts.

The 1999-01 net cost of the proposed identified above would be \$23.4 million. Adoption of the proposal would reduce the estimated net general fund balance of Act 9 from \$26.0 million to \$2.6 million.

BL/lah/sas

TUES 10AM

**Burnett, Douglas**

**From:** Burnett, Douglas  
**Sent:** Wednesday, November 03, 1999 10:31 AM  
**To:** Doty, Kelsie; Reinhardt, Rob; Olin, Rick; Lang, Bob  
**Subject:** Rebate alternative bill

*draft as pre-study  
reposition bill  
to a sub. to SSAB 1*

Bob, Kelsie, Rob, and Rick:

Sen. Chvala would like drafted an alternative rebate bill which essentially uses the elimination of the permanent income tax cut, among other things, to provide rebate checks. The end goal is to have a bill which provides rebate checks in the same amount as SS AB 1 for all people with 1998 AGI of \$100,000 or less. (Over \$100k would get a lower rebate check than under SS AB 9).

Below is a list for a starting point to get there. I need your help with the critical question of how much more money do we need to come up with to get the check to the amount in the list below?

Obviously, I need this asap, since we are hoping to pass this plan in the Senate next week.

- MES 1.* Return to the pre-Act 9 income tax structure, except maintain the Act 9 Homestead increase
- MES 2.* Maintain the pre-Act 9 property tax rent credit *keep 10% SPTC permanent*
- JK 3.* Repeal the increase in the school levy credit
- RAC 4.* Return to the conference position on the statutory balance
- GM 5.* Repeal the Governor's Work-Based Learning Board and return to pre-Act 9 law; eliminate the \$4 million increase in school to work funding included in the conference report; *ignore*
- MJL 6.* Repeal the graduation test provisions and the associated funding;
- MES 7.* Provide for rebate checks as in SS AB 1, except capped at \$380 for married-joint&single head of household, and \$233 for single and married-separate, adjust AGI %ages downward to cap the rebate for incomes above \$100,000.
- RAC 8.* Reduce the general fund balance to \$1.26 million

When we get to drafting, we will need to see what can be drafted to defeat potential vetoes back to current law.

Thank you!

*take out of sub. (5) (j) & (k)  
& add the part-year resident / resident levy  
to non-resident eligibility in sub. (3)(e)*

*only add  
part-year  
resident change  
to sub. (3)(e)*

**Burnett, Douglas**

**From:** Micklos, Christopher  
**Sent:** Wednesday, November 03, 1999 3:11 PM  
**To:** Burnett, Douglas  
**Subject:** alternative

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**\$ Sources on Rebate Alternative:**

\$331 Income Tax Cuts  
\$157 6.4% of year 1 PTRC  
\$60 School Levy Credit  
\$25 Ending Balance  
\$20 Statutory Balance  
\$25 dial-down of rebate for \$100,000 +  
\$4 work-based learning board  
\$4 graduation test

**TOTAL: \$626**



State of Wisconsin  
1999 - 2000 LEGISLATURE  
October 1999 Special Session

LRBs0188/1  
MS/DK/PG/JK/C.....

RM NR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

SENATE SUBSTITUTE AMENDMENT,  
TO ASSEMBLY BILL 1

D-note

today  
5pm

dm

1 AN ACT ...; relating to: creating a tax rebate for individuals, modifying the  
2 individual income tax rates and brackets structure, changing the standard  
3 deduction, eliminating a personal individual income tax exemption, changing  
4 the school property tax rent credit, reducing the amount that is available under  
5 the school levy tax credit, the school aid distribution schedule, changing the  
6 required statutory balance and making an appropriation.

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

7 → INS 8-11 No CS

copy of s 0185

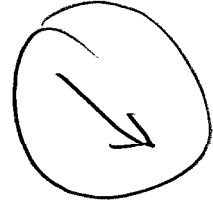
8 SECTION #. Notwithstanding s. 990.03 (3), 1999 Wisconsin Act 9, sections 1674,  
9 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700, 1701,

action: Act: repeal

1 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1712, 1714, 1715, 1716, 1717, 1721, 1722,  
2 1784, 1785, 1786 and 1787 are repealed.

3

END





1999 - 2000 LEGISLATURE

LRBs0185/1

October 1999 Special Session

MES/JK/DAK:cmh:ch

**SENATE SUBSTITUTE AMENDMENT ,  
TO ASSEMBLY BILL 1**

1 ~~AN ACT to repeal 71.07 (9) (b) 3.; to amend 71.07 (9) (g); to create 20.835 (2) (am)~~  
2 ~~and 77.64 of the statutes; and to affect 1999 Wisconsin Act 9, section 9143 (3g);~~  
3 ~~relating to: creating a tax rebate for individuals, repealing the school property~~  
4 ~~tax rent credit, reducing the amount that is available under the school levy tax~~  
5 ~~credit and making an appropriation~~

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

6 SECTION 1. 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 2. 71.07 (9) (b) 3. of the statutes, as created by 1999 Wisconsin Act 9,  
10 is repealed.

11 SECTION 3. 71.07 (9) (g) of the statutes, as created by 1999 Wisconsin Act 9, is  
12 amended to read:

INS.  
1-6

1           71.07 (9) (g) No new claim may be filed under this subsection for a taxable year  
2 that begins taxable years beginning after December 31, ~~2000~~ 1998, and before  
3 January 1, 2001.

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

5           **77.64 Onetime rebate of nonbusiness consumer sales tax paid by**  
6 **individuals.** (1) DEFINITIONS. In this subsection:

7           (a) "Claimant" means an individual who is eligible under sub. (3) to receive or  
8 claim a rebate under this section.

9           (b) "Department" means the department of revenue.

10          (c) "Nonresident" means an individual who was not a resident of this state for  
11 any part of 1998.

12          (d) "Part-year resident" means an individual who was a resident of this state  
13 for some part of 1998.

14          (e) "Resident" means an individual who was a full-year resident of this state  
15 in 1998.

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

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

24          (b) An individual who was a resident and who did not file a 1998 Wisconsin  
25 income tax return or 1998 homestead credit claim by October 15, 1999, is eligible to

1 receive a rebate under sub. (2) only if the individual files a claim with the department  
2 not later than June 30, 2000. The claim shall be filed on a form prepared by the  
3 department not later than 60 days after the effective date of this paragraph ....  
4 [revisor inserts date].

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

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

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

21 (d) An individual who was a part-year resident and who did not file a 1998  
22 Wisconsin income tax return by October 15, 1999, or a married couple, of whom one  
23 of the spouses was a part-year resident and the other spouse was either a part-year  
24 resident or a resident, and who did not file a 1998 Wisconsin income tax return by  
25 October 15, 1999, is eligible to receive a rebate under sub. (2), calculated by the

1 department, only if the individual or couple files a claim with the department not  
2 later than June 30, 2000. The claim shall be filed on a form prepared by the  
3 department not later than 60 days after the effective date of this paragraph ....  
4 [revisor inserts date].

5 (de) A married individual who is a part-year resident and whose spouse is a  
6 nonresident, and who filed a 1998 Wisconsin income tax return, is eligible to receive  
7 a rebate under sub. (2), calculated by the department based on the couple's Wisconsin  
8 adjusted gross income.

9 (dm) A married individual who is a part-year resident and whose spouse is a  
10 nonresident, and who did not file a 1998 Wisconsin income tax return by October 15,  
11 1999, is eligible to receive a rebate under sub. (2), calculated by the department, only  
12 if the couple files a claim with the department not later than June 30, 2000. The  
13 claim shall be filed on a form prepared by the department not later than 60 days after  
14 the effective date of this paragraph .... [revisor inserts date].

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

*as a resident or part-year resident*

1 (4) CALCULATION. (a) A claimant who is a resident and married and filed a joint  
2 1998 Wisconsin income tax return or 1998 homestead credit claim shall be eligible  
3 for a rebate in one of the following amounts:

4 1. If the couple's 1998 Wisconsin adjusted gross income is not more than  
5 \$25,000, ~~\$200~~ 370

6 2. If the couple's 1998 Wisconsin adjusted gross income is more than \$25,000  
7 but not more than \$50,000, ~~\$200~~ 378

8 3. If the couple's 1998 Wisconsin adjusted gross income is more than \$50,000  
9 but not more than \$75,000, ~~\$200~~ 397

10 4. If the couple's 1998 Wisconsin adjusted gross income is more than \$75,000  
11 ~~but not more than \$100,000, \$200~~ 420

12 ~~5. If the couple's 1998 Wisconsin adjusted gross income is more than \$100,000  
13 but not more than \$200,000, \$452.~~

14 ~~6. If the couple's 1998 Wisconsin adjusted gross income is more than \$200,000  
15 but not more than \$500,000, \$498.~~

16 ~~7. If the couple's 1998 Wisconsin adjusted gross income is more than \$500,000,  
17 \$546.~~

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

23 1. If the individual's 1998 Wisconsin adjusted gross income is not more than  
24 \$25,000, ~~\$200~~ 159

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

3           3. If the individual's 1998 Wisconsin adjusted gross income is more than  
4 \$37,500 but not more than \$50,000, ~~\$200~~ 210

5 ~~4. If the individual's 1998 Wisconsin adjusted gross income is more than~~  
6 ~~\$50,000 but not more than \$100,000, \$226.~~

7 ~~5. If the individual's 1998 Wisconsin adjusted gross income is more than~~  
8 ~~\$100,000 but not more than \$250,000, \$249.~~

9 ~~6. If the individual's 1998 Wisconsin adjusted gross income is more than~~  
10 ~~\$250,000, \$273.~~

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

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

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

20           (f) A claimant under sub. (3) (e) shall be eligible for a rebate that is equal to  
21 30.4% of documented nonbusiness consumer sales taxes paid to Wisconsin in 1998,  
22 up to a maximum rebate of ~~\$200~~ 210

23           (5) LIMITATIONS AND CONDITIONS. (a) The department may not consider any  
24 adjustments or amendments made to a 1998 Wisconsin income tax return after  
25 October 15, 1999, in its calculation of a rebate under this section.

1           (b) With regard to a married couple for whom an offset under s. 71.80 (3) or (3m)  
2           must be made against a debt that is owed by only one of the spouses, each spouse shall  
3           be considered by the department to have a 50% ownership interest in the rebate.

4           (c) If an individual who is eligible for a rebate under sub. (3) filed only a 1998  
5           homestead credit claim, the department shall calculate the individual's rebate as if  
6           the individual's Wisconsin adjusted gross income is \$25,000.

7           (d) An individual who was claimed as a dependent on another individual's 1998  
8           federal income tax return is not eligible to claim or receive a rebate under this  
9           section.

10          (e) Section 71.80 (3) and (3m), as it applies to income tax refunds, applies to a  
11          sales tax rebate under this section.

12          (f) The department may enforce the rebate under this section and may take any  
13          action, conduct any proceeding and proceed as it is authorized in respect to taxes  
14          under chapter 71. The income tax provisions in chapter 71 relating to assessments,  
15          refunds, appeals, collection, interest and penalties apply to the rebate under this  
16          section.

17          (g) After a rebate has been issued under sub. (2) but before the check, share  
18          draft or other draft has been cashed, either joint claimant may request a separate  
19          check, share draft or other draft for 50% of the joint rebate.

20          (h) If the department is unable to locate an individual or married couple who  
21          is eligible to receive a rebate under sub. (2) by December 31, 2000, or,  
22          notwithstanding ss. 14.58 (12) and 20.912 (1) and notwithstanding s. 20.912 (2) and  
23          (3), as affected by 1999 Wisconsin Act 9, if an individual or married couple who is  
24          issued a check, share draft or other draft and does not cash the check, share draft or  
25          other draft by December 31, 2000, the right to the rebate lapses.

1 (i) If a claimant who was a resident and who filed a 1998 Wisconsin income tax  
2 return or 1998 homestead credit claim becomes deceased after he or she filed his or  
3 her income tax return or homestead credit claim, the amount of the rebate for which  
4 the claimant is eligible shall be paid to the claimant's estate.

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

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

FNS  
8-10

10 (6) SUNSET. This section does not apply after December 31, 2000.

FNS  
8-11

11 SECTION 5. 1999 Wisconsin Act 9, section 9143 (3g) is repealed.

12 **SECTION 6. Nonstatutory provisions.**

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

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

16 (b) Notwithstanding any other provision of state law that relates to  
17 determining, based on an individual's personal income or assets, that individual's  
18 eligibility for a state-funded grant, loan, monetary assistance or other benefit or the  
19 amount or extent of that grant, loan, monetary assistance or other benefit, a state  
20 agency may not consider receipt of a onetime rebate of nonbusiness consumer sales  
21 tax under section 77.64 of the statutes, as created by this act, to be income or an asset  
22 of the individual in the month of receipt or in the month immediately thereafter. This  
23 paragraph shall be broadly construed to avoid determinations of ineligibility for a  
24 state-funded grant, loan, monetary assistance or other benefit.



*and shall amend the state plan for services under 42 USC 1396, to authorize*

1 (c) By December 1, 1999, the department of health and family services shall  
2 request a waiver, to the extent permitted under federal law, from the secretary of the  
3 federal department of health and human services under 42 USC 1396n (c),  
4 ~~authorizing~~ the department of health and family services to disregard receipt by an  
5 individual of a onetime rebate of nonbusiness consumer sales tax under section 77.64  
6 of the statutes, as created by this act, in determining the individual's eligibility for  
7 medical assistance under section 49.46 (1), 49.465 or 49.47 (4) of the statutes.

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 under  
10 section 77.64 of the statutes, as created by this act, in determining the individual's  
11 eligibility for a federally funded grant, loan, monetary assistance or other benefit or  
12 in determining the amount or extent of that grant, loan, monetary assistance or other  
13 benefit.

14 **SECTION 7. Appropriation changes; revenue.**

15 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
16 to the department of revenue under section 20.566 (1) (a) of the statutes, as affected  
17 by the acts of 1999, the dollar amount is increased by \$2, ~~XXXXXX~~ <sup>400,000</sup> for fiscal year  
18 1999-00 to increase funding for the purposes for which the appropriation is made.

19 (END)

*(c)*  
*(2) Act may be void. This act is void if it does not take effect on or before December 31, 1999.*

*D-note*

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBs0188/linsrc  
RAC:.....

INS  
1-6

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

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

*add  
plain  
period*

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

20.003 (4) (c) For fiscal year 2001-02, <sup>✓</sup>1.2%.

(END OF  
INSERT)

INS 8-10, P. 1064

Section #. 121.07 (7) (b) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

121.07 (7) (b) The "secondary guaranteed valuation per member" is an amount, rounded to the next lower dollar, that, after subtraction of payments under ss. 121.09 ~~and 121.85 (6) (b) 2. and 3. and (c) ~~and~~~~ fully distributes an amount equal to the amount remaining in the appropriation under s. 20.255 (2) (ac) plus ~~\$75,000,000 in the 1997-98 school year and \$100,000,000 in the 1998-99 school year~~ for payments under ss. 121.08 ~~and~~ 121.85 (6) (a) and (g) ~~and 121.86~~

History: 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286.

, 121.105,

insert as plain text

and \$25,000,000 in the 2000-01 school year

score text

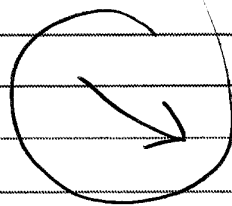


INS 8-10, p. 2 of 4

SEC. RP. 121.15 (1m) (a) 1.

SEC. RC. 121.15 (1m) (a) 2.

<sup>4</sup>  
121.15 (1m) (a) 2. Beginning in the  
2000-01 school year, annually the  
state shall pay to school districts <sup>comma</sup> from  
the appropriation under s. 20.255(2)(ac),  
\$ 25,000,000 on the first Monday in July  
of the following school year.



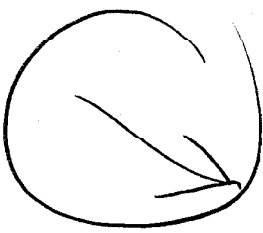
in §-10, p. 3 of 4

Section #. 121.15 (1m) (a) 3. of the statutes is amended to read:

121.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state shall pay to school districts, from the appropriation under s. 20.255 (2) (ac), \$75,000,000 on the 4th Monday in July of the following school year.

History: 1977 c. 29 s. 1098; 1977 c. 27B; Stats. 1977 s. 121.15; 1979 c. 34; 1985 a. 29, 120; 1987 a. 27; 1989 a. 207; 1993 a. 16, 437; 1995 a. 27 ss. 4073 to 4075m, 9145 (1); 1997 a. 27, 113, 228; 1997 a. 237 ss. 368v to 369, 727p.

Beginning in July 2001, the payment under this paragraph shall be made on the first Monday in July.



ins 8-10 1.4 of 4

Section #. 121.15 (1m) (b) of the statutes is amended to read:

121.15 (1m) (b) The ~~percentages under subs. (1) (a) and (1g) (a) shall be reduced proportionally to reflect the payments made under par. (a)~~ School districts shall treat the payments made in July under par. (a) as if they had been received in the previous school year.

History: 1977 c. 29 s. 1098; 1977 c. 273; Stats. 1977 s. 121.15; 1979 c. 34; 1985 a. 29, 120; 1987 a. 27; 1989 a. 207; 1993 a. 16, 437; 1995 a. 27 ss. 4073 to 4075m, 9145 (1); 1997 a. 27, 113, 228; 1997 a. 237 ss. 368v to 369, 727p.

shall reduce <sup>only</sup> the payments ~~which~~ made in June under subs. (1)(a) and (1g)(a)

end of ins 8-10

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

LRBs0188/?dn  
MS/DK/PG/JK/C.....  
CMT

DRAFT

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), -0574 (the governor's changes to the itemized deduction credit that relates to educational expenses) and b0688 (an LFB 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. 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 LRB b0667);

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 LRB b1009);

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 71.05 (6) (b) 29.

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

**INS DN-1**

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

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBs0185/1dn  
MES&DAK:cmh:ch

November 5, 1999

INS PN-1

99

I also have some concerns about the meaning of

~~This bill is drafted according to your instructions, in that it is based on LRBs 0176 and LRB motions # 9320 and 9322. I am still not sure what created s. 77.64 (5) (j) ~~was~~, 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.

~~It also seems to me that a literal reading of the last sentence in s. 77.64 (3) (e) could prohibit any nonresident from being eligible to receive a rebate; it seems as if that sentence should prohibit a nonresident from being eligible to receive a rebate if the individual's spouse is eligible to receive a rebate as resident or part-year resident.~~

~~Please let me know if you have any questions about this bill.~~

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

~~Because state assistance programs vary so widely and because the language for the nonstatutory provisions concerning determinations of eligibility has had to be drafted so broadly, the provisions may not be able to completely effect your intent.~~

Debora A. Kennedy  
Managing Attorney  
Phone: (608) 266-0137

(END OF  
INSERT  
D-NOTE)



**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 LFB 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.

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

SENATE SUBSTITUTE AMENDMENT ,  
TO ASSEMBLY BILL 1

Possible vetoes  
1, 2 and 3

1 AN ACT *to repeal* 71.07 (9) (b) 3. and 121.15 (1m) (a) 1.; *to amend* 20.003 (4) (b),  
2 71.07 (9) (g), 121.07 (7) (b), 121.15 (1m) (a) 3. and 121.15 (1m) (b); *to repeal and*  
3 *recreate* 121.15 (1m) (a) 2.; *to create* 20.003 (4) (c), 20.835 (2) (am) and 77.64  
4 of the statutes; and *to affect* Notwithstanding s. 990.03 (3), 1999 Wisconsin Act  
5 9, sections 1674, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697,  
6 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1712, 1714,  
7 1715, 1716, 1717, 1721, 1722, 1784, 1785, 1786 and 1787 and 1999 Wisconsin  
8 Act 9, section 9143 (3g); **relating to:** creating a tax rebate for individuals,  
9 modifying the individual income tax rates and brackets structure, changing the  
10 standard deduction, eliminating a personal individual income tax exemption,  
11 changing the school property tax rent credit, reducing the amount that is  
12 available under the school levy tax credit, the school aid distribution schedule,  
13 changing the required statutory balance and making an 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. 71.07 (9) (b) 3. of the statutes, as created by 1999 Wisconsin Act 9,  
10 is repealed. (1)

11           SECTION 5. 71.07 (9) (g) of the statutes, as created by 1999 Wisconsin Act 9, is  
12 amended to read:

13           71.07 (9) (g) No new claim may be filed under this subsection for a ~~taxable year~~  
14 ~~that begins taxable years beginning~~ after December 31, ~~2000~~ 1998, and before  
15 January 1, 2001.

16           SECTION 6. 77.64 of the statutes is created to read:

17           **77.64 Onetime rebate of nonbusiness consumer sales tax paid by**  
18 **individuals. (1) DEFINITIONS.** In this subsection:

19           (a) "Claimant" means an individual who is eligible under sub. (3) to receive or  
20 claim a rebate under this section.

21           (b) "Department" means the department of revenue.

22           (c) "Nonresident" means an individual who was not a resident of this state for  
23 any part of 1998.

1 (d) "Part-year resident" means an individual who was a resident of this state  
2 for some part of 1998.

3 (e) "Resident" means an individual who was a full-year resident of this state  
4 in 1998.

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

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

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

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

23 (bm) A married individual who is a resident and whose spouse is a nonresident,  
24 and who did not file a 1998 Wisconsin income tax return by October 15, 1999, is  
25 eligible to receive a rebate under sub. (2), calculated by the department, only if the

1 couple files a claim with the department not later than June 30, 2000. The claim  
2 shall be filed on a form prepared by the department not later than 60 days after the  
3 effective date of this paragraph .... [revisor inserts date].

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

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

19 (de) A married individual who is a part-year resident and whose spouse is a  
20 nonresident, and who filed a 1998 Wisconsin income tax return, is eligible to receive  
21 a rebate under sub. (2), calculated by the department based on the couple's Wisconsin  
22 adjusted gross income.

23 (dm) A married individual who is a part-year resident and whose spouse is a  
24 nonresident, and who did not file a 1998 Wisconsin income tax return by October 15,  
25 1999, is eligible to receive a rebate under sub. (2), calculated by the department, only

1 if the couple files a claim with the department not later than June 30, 2000. The  
2 claim shall be filed on a form prepared by the department not later than 60 days after  
3 the effective date of this paragraph .... [revisor inserts date].

4 (e) An individual who was a nonresident is eligible to receive a rebate under  
5 sub. (2) if the individual files a claim with the department not later than 30 days after  
6 the effective date of this paragraph .... [revisor inserts date]. The claim shall be filed  
7 on a form prepared by the department. The form shall require a nonresident to  
8 document his or her nonbusiness consumer sales taxes paid to Wisconsin in 1998,  
9 and the documented amount must be at least \$20 for a nonresident to be eligible to  
10 receive a rebate under sub. (2). An individual who was a nonresident is not eligible  
11 to receive a rebate under this paragraph if the individual's spouse is eligible to  
12 receive a rebate under this subsection as a resident or part-year resident.

13 (4) CALCULATION. (a) A claimant who is a resident and married and filed a joint  
14 1998 Wisconsin income tax return or 1998 homestead credit claim shall be eligible  
15 for a rebate in one of the following amounts:

16 1. If the couple's 1998 Wisconsin adjusted gross income is not more than  
17 \$25,000, \$370.

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

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

22 4. If the couple's 1998 Wisconsin adjusted gross income is more than \$75,000,  
23 \$420.

24 (b) A claimant who is a resident and single and filed a 1998 Wisconsin income  
25 tax return or 1998 homestead credit claim, or who is a resident and married and filed

1 a separate 1998 Wisconsin income tax return, or who is a resident and filed a 1998  
2 Wisconsin income tax return as a head of household, shall be eligible for a rebate in  
3 one of the following amounts:

4 1. If the individual's 1998 Wisconsin adjusted gross income is not more than  
5 \$25,000, \$189.

6 2. If the individual's 1998 Wisconsin adjusted gross income is more than  
7 \$25,000 but not more than \$37,500, \$199.

8 3. If the individual's 1998 Wisconsin adjusted gross income is more than  
9 \$37,500, \$210.

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

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

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

19 (f) A claimant under sub. (3) (e) shall be eligible for a rebate that is equal to  
20 30.4% of documented nonbusiness consumer sales taxes paid to Wisconsin in 1998,  
21 up to a maximum rebate of \$210.

22 (5) LIMITATIONS AND CONDITIONS. (a) The department may not consider any  
23 adjustments or amendments made to a 1998 Wisconsin income tax return after  
24 October 15, 1999, in its calculation of a rebate under this section.



1           (b) With regard to a married couple for whom an offset under s. 71.80 (3) or (3m)  
2 must be made against a debt that is owed by only one of the spouses, each spouse shall  
3 be considered by the department to have a 50% ownership interest in the rebate.

4           (c) If an individual who is eligible for a rebate under sub. (3) filed only a 1998  
5 homestead credit claim, the department shall calculate the individual's rebate as if  
6 the individual's Wisconsin adjusted gross income is \$25,000.

7           (d) An individual who was claimed as a dependent on another individual's 1998  
8 federal income tax return is not eligible to claim or receive a rebate under this  
9 section.

10           (e) Section 71.80 (3) and (3m), as it applies to income tax refunds, applies to a  
11 sales tax rebate under this section.

12           (f) The department may enforce the rebate under this section and may take any  
13 action, conduct any proceeding and proceed as it is authorized in respect to taxes  
14 under chapter 71. The income tax provisions in chapter 71 relating to assessments,  
15 refunds, appeals, collection, interest and penalties apply to the rebate under this  
16 section.

17           (g) After a rebate has been issued under sub. (2) but before the check, share  
18 draft or other draft has been cashed, either joint claimant may request a separate  
19 check, share draft or other draft for 50% of the joint rebate.

20           (h) If the department is unable to locate an individual or married couple who  
21 is eligible to receive a rebate under sub. (2) by December 31, 2000, or,  
22 notwithstanding ss. 14.58 (12) and 20.912 (1) and notwithstanding s. 20.912 (2) and  
23 (3), as affected by 1999 Wisconsin Act 9, if an individual or married couple who is  
24 issued a check, share draft or other draft and does not cash the check, share draft or  
25 other draft by December 31, 2000, the right to the rebate lapses.

1 (i) If a claimant who was a resident and who filed a 1998 Wisconsin income tax  
2 return or 1998 homestead credit claim becomes deceased after he or she filed his or  
3 her income tax return or homestead credit claim, the amount of the rebate for which  
4 the claimant is eligible shall be paid to the claimant's estate.

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

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

10 (6) SUNSET. This section does not apply after December 31, 2000.

11 SECTION 7. 121.07(7) (b) of the statutes, as affected by 1999 Wisconsin Act 9,  
12 is amended to read:

13 121.07(7)(b) The "secondary guaranteed valuation per member" is an amount,  
14 rounded to the next lower dollar, that, after subtraction of payments under ss. 121.09  
15 and 121.85 (6)(b) 2. and 3. and (c), fully distributes an amount equal to the amount  
16 remaining in the appropriation under s. 20.255 (2) (ac) plus \$75,000,000 in the  
17 ~~1997-98 school year and \$100,000,000 in the 1998-99 school year and \$25,000,000~~  
18 in the 2000-01 school year for payments under ss. 121.08, 121.105, 121.85 (6) (a) and  
19 (g) and 121.86.

20 SECTION 8. 121.15 (1m) (a) 1. of the statutes is repealed.

21 SECTION 9. 121.15 (1m) (a) 2. of the statutes is repealed and recreated to read:

22 121.15 (1m) (a) 2. Beginning in the 2000-01 school year, annually the state  
23 shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),  
24 \$25,000,000 on the first Monday in July of the following school year.

25 SECTION 10. 121.15 (1m) (a) 3. of the statutes is amended to read:

2

1           21.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state  
2 shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),  
3 ~~\$75,000,000~~ on the 4th Monday in July of the following school year. Beginning in  
4 July 2001, the payment under this paragraph shall be made on the first Monday in  
5 July.

3

6           **SECTION 11.** 21.15 (1m) (b) of the statutes is amended to read:

7           21.15 (1m) (b) ~~The percentages under subs. (1) (a) and (1g) (a) shall be reduced~~  
8 ~~proportionally to reflect the payments made under par. (a) shall reduce only the~~  
9 ~~payments made in June under subs. (1) (a) and (1g) (a).~~ School districts shall treat  
10 the payments made in July under par. (a) as if they had been received in the previous  
11 school year.

12           **SECTION 12.** Notwithstanding s. 990.03 (3), 1999 Wisconsin Act 9, sections  
13 1674, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700,  
14 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1712, 1714, 1715, 1716, 1717, 1721,  
15 1722, 1784, 1785, 1786 and 1787 are repealed.

16           **SECTION 13.** 1999 Wisconsin Act 9, section 9143 (3g) is repealed.

17           **SECTION 14. Nonstatutory provisions.**

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

19           (a) In this subsection, "state agency" has the meaning given in section 16.417

20           (1) (a) of the statutes.

21           (b) Notwithstanding any other provision of state law that relates to  
22 determining, based on an individual's personal income or assets, that individual's  
23 eligibility for a state-funded grant, loan, monetary assistance or other benefit or the  
24 amount or extent of that grant, loan, monetary assistance or other benefit, a state  
25 agency may not consider receipt of a onetime rebate of nonbusiness consumer sales

1 tax under section 77.64 of the statutes, as created by this act, to be income or an asset  
2 of the individual in the month of receipt or in the month immediately thereafter. This  
3 paragraph shall be broadly construed to avoid determinations of ineligibility for a  
4 state-funded grant, loan, monetary assistance or other benefit.

5 (c) By December 1, 1999, the department of health and family services shall  
6 request a waiver, to the extent permitted under federal law, from the secretary of the  
7 federal department of health and human services under 42 USC 1396n (c), and shall  
8 amend the state plan for services under 42 USC 1396, to authorize the department  
9 of health and family services to disregard receipt by an individual of a onetime rebate  
10 of nonbusiness consumer sales tax under section 77.64 of the statutes, as created by  
11 this act, in determining the individual's eligibility for medical assistance under  
12 section 49.46 (1), 49.465 or 49.47 (4) of the statutes.

13 (d) To the extent permitted under federal law, a state agency shall disregard  
14 receipt by an individual of a onetime rebate of nonbusiness consumer sales tax under  
15 section 77.64 of the statutes, as created by this act, in determining the individual's  
16 eligibility for a federally funded grant, loan, monetary assistance or other benefit or  
17 in determining the amount or extent of that grant, loan, monetary assistance or other  
18 benefit.

19 (2) ACT MAY BE VOID. This act is void if it does not take effect on or before  
20 December 31, 1999.

21 **SECTION 15. Appropriation changes; revenue.**

22 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
23 to the department of revenue under section 20.566 (1) (a) of the statutes, as affected

1 by the acts of 1999, the dollar amount is increased by \$2,400,000 for fiscal year  
2 1999-00 to increase funding for the purposes for which the appropriation is made.

3 (END)

1999 - 2000 LEGISLATURE  
October 1999 Special Session

LRBs0188/1  
MS/DK/PG/JK/RC:cmh:mrc

SENATE SUBSTITUTE AMENDMENT ,  
TO ASSEMBLY BILL 1

Potential veto 4

1 AN ACT *to repeal* 71.07 (9) (b) 3. and 121.15 (1m) (a) 1.; *to amend* 20.003 (4) (b),  
2 71.07 (9) (g), 121.07 (7) (b), 121.15 (1m) (a) 3. and 121.15 (1m) (b); *to repeal and*  
3 *recreate* 121.15 (1m) (a) 2.; *to create* 20.003 (4) (c), 20.835 (2) (am) and 77.64  
4 of the statutes; and *to affect* Notwithstanding s. 990.03 (3), 1999 Wisconsin Act  
5 9, sections 1674, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697,  
6 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1712, 1714,  
7 1715, 1716, 1717, 1721, 1722, 1784, 1785, 1786 and 1787 and 1999 Wisconsin  
8 Act 9, section 9143 (3g); **relating to:** creating a tax rebate for individuals,  
9 modifying the individual income tax rates and brackets structure, changing the  
10 standard deduction, eliminating a personal individual income tax exemption,  
11 changing the school property tax rent credit, reducing the amount that is  
12 available under the school levy tax credit, the school aid distribution schedule,  
13 changing the required statutory balance and making an 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. 71.07 (9) (b) 3. of the statutes, as created by 1999 Wisconsin Act 9,  
10 is repealed.

11           SECTION 5. 71.07 (9) (g) of the statutes, as created by 1999 Wisconsin Act 9, is  
12 amended to read:

13           71.07 (9) (g) No new claim may be filed under this subsection for a taxable year  
14 that begins taxable years beginning after December 31, 2000 1998, and before  
15 January 1, 2001.

16           SECTION 6. 77.64 of the statutes is created to read:

17           **77.64 Onetime rebate of nonbusiness consumer sales tax paid by**  
18 **individuals. (1) DEFINITIONS.** In this subsection:

19           (a) "Claimant" means an individual who is eligible under sub. (3) to receive or  
20 claim a rebate under this section.

21           (b) "Department" means the department of revenue.

22           (c) "Nonresident" means an individual who was not a resident of this state for  
23 any part of 1998.

1 (d) "Part-year resident" means an individual who was a resident of this state  
2 for some part of 1998.

3 (e) "Resident" means an individual who was a full-year resident of this state  
4 in 1998.

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

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

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

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

23 (bm) A married individual who is a resident and whose spouse is a nonresident,  
24 and who did not file a 1998 Wisconsin income tax return by October 15, 1999, is  
25 eligible to receive a rebate under sub. (2), calculated by the department, only if the



1 couple files a claim with the department not later than June 30, 2000. The claim  
2 shall be filed on a form prepared by the department not later than 60 days after the  
3 effective date of this paragraph .... [revisor inserts date].

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

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

19 (de) A married individual who is a part-year resident and whose spouse is a  
20 nonresident, and who filed a 1998 Wisconsin income tax return, is eligible to receive  
21 a rebate under sub. (2), calculated by the department based on the couple's Wisconsin  
22 adjusted gross income.

23 (dm) A married individual who is a part-year resident and whose spouse is a  
24 nonresident, and who did not file a 1998 Wisconsin income tax return by October 15,  
25 1999, is eligible to receive a rebate under sub. (2), calculated by the department, only

1 if the couple files a claim with the department not later than June 30, 2000. The  
2 claim shall be filed on a form prepared by the department not later than 60 days after  
3 the effective date of this paragraph .... [revisor inserts date].

4 (e) An individual who was a nonresident is eligible to receive a rebate under  
5 sub. (2) if the individual files a claim with the department not later than 30 days after  
6 the effective date of this paragraph .... [revisor inserts date]. The claim shall be filed  
7 on a form prepared by the department. The form shall require a nonresident to  
8 document his or her nonbusiness consumer sales taxes paid to Wisconsin in 1998,  
9 and the documented amount must be at least \$20 for a nonresident to be eligible to  
10 receive a rebate under sub. (2). An individual who was a nonresident is not eligible  
11 to receive a rebate under this paragraph if the individual's spouse is eligible to  
12 receive a rebate under this subsection as a resident or part-year resident.

13 (4) CALCULATION. (a) A claimant who is a resident and married and filed a joint  
14 1998 Wisconsin income tax return or 1998 homestead credit claim shall be eligible  
15 for a rebate in one of the following amounts:

16 1. If the couple's 1998 Wisconsin adjusted gross income is not more than  
17 \$25,000, \$370.

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

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

22 4. If the couple's 1998 Wisconsin adjusted gross income is more than \$75,000,  
23 \$420.

24 (b) A claimant who is a resident and single and filed a 1998 Wisconsin income  
25 tax return or 1998 homestead credit claim, or who is a resident and married and filed

1 a separate 1998 Wisconsin income tax return, or who is a resident and filed a 1998  
2 Wisconsin income tax return as a head of household, shall be eligible for a rebate in  
3 one of the following amounts:

4 1. If the individual's 1998 Wisconsin adjusted gross income is not more than  
5 \$25,000, \$189.

6 2. If the individual's 1998 Wisconsin adjusted gross income is more than  
7 \$25,000 but not more than \$37,500, \$199.

8 3. If the individual's 1998 Wisconsin adjusted gross income is more than  
9 \$37,500, \$210.

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

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

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

19 (f) A claimant under sub. (3) (e) shall be eligible for a rebate that is equal to  
20 30.4% of documented nonbusiness consumer sales taxes paid to Wisconsin in 1998,  
21 up to a maximum rebate of \$210.

22 (5) LIMITATIONS AND CONDITIONS. (a) The department may not consider any  
23 adjustments or amendments made to a 1998 Wisconsin income tax return after  
24 October 15, 1999, in its calculation of a rebate under this section.

1 (b) With regard to a married couple for whom an offset under s. 71.80 (3) or (3m)  
2 must be made against a debt that is owed by only one of the spouses, each spouse shall  
3 be considered by the department to have a 50% ownership interest in the rebate.

4 (c) If an individual who is eligible for a rebate under sub. (3) filed only a 1998  
5 homestead credit claim, the department shall calculate the individual's rebate as if  
6 the individual's Wisconsin adjusted gross income is \$25,000.

7 (d) An individual who was claimed as a dependent on another individual's 1998  
8 federal income tax return is not eligible to claim or receive a rebate under this  
9 section.

10 (e) Section 71.80 (3) and (3m), as it applies to income tax refunds, applies to a  
11 sales tax rebate under this section. (4)

12 (f) The department may enforce the rebate under this section and may take any  
13 action, conduct any proceeding and proceed as it is authorized in respect to taxes  
14 under chapter 71. The income tax provisions in chapter 71 relating to assessments,  
15 refunds, appeals, collection, interest and penalties apply to the rebate under this  
16 section.

17 (g) After a rebate has been issued under sub. (2) but before the check, share  
18 draft or other draft has been cashed, either joint claimant may request a separate  
19 check, share draft or other draft for 50% of the joint rebate.

20 (h) If the department is unable to locate an individual or married couple who  
21 is eligible to receive a rebate under sub. (2) by December 31, 2000, or,  
22 notwithstanding ss. 14.58 (12) and 20.912 (1) and notwithstanding s. 20.912 (2) and  
23 (3), as affected by 1999 Wisconsin Act 9, if an individual or married couple who (is)  
24 issued a check, share draft or other draft and does not cash the check, share draft or  
25 other draft by December 31, 2000, the right to the rebate lapses.

1 (i) If a claimant who was a resident and who filed a 1998 Wisconsin income tax  
2 return or 1998 homestead credit claim becomes deceased after he or she filed his or  
3 her income tax return or homestead credit claim, the amount of the rebate for which  
4 the claimant is eligible shall be paid to the claimant's estate.

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

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

10 (6) **SUNSET** This section does not apply **after December 31, 2000.**

11 **SECTION 7.** 121.07 (7) (b) of the statutes, as affected by 1999 Wisconsin Act 9,  
12 is amended to read:

13 121.07 (7) (b) The "secondary guaranteed valuation per member" is an amount,  
14 rounded to the next lower dollar, that, after subtraction of payments under ss. 121.09  
15 and 121.85 (6) (b) 2. and 3. and (c), fully distributes an amount equal to the amount  
16 remaining in the appropriation under s. 20.255 (2) (ac) plus ~~\$75,000,000 in the~~  
17 ~~1997-98 school year and \$100,000,000 in the 1998-99 school year and \$25,000,000~~  
18 in the 2000-01 school year for payments under ss. 121.08, 121.105, 121.85 (6) (a) and  
19 (g) and 121.86.

20 **SECTION 8.** 121.15 (1m) (a) 1. of the statutes is repealed.

21 **SECTION 9.** 121.15 (1m) (a) 2. of the statutes is repealed and recreated to read:

22 121.15 (1m) (a) 2. Beginning in the 2000-01 school year, annually the state  
23 shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),  
24 \$25,000,000 on the first Monday in July of the following school year.

25 **SECTION 10.** 121.15 (1m) (a) 3. of the statutes is amended to read:

1           21.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state  
2 shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),  
3 \$75,000,000 on the 4th Monday in July of the following school year. Beginning in  
4 July 2001, the payment under this paragraph shall be made on the first Monday in  
5 July.

6           **SECTION 11.** 21.15 (1m) (b) of the statutes is amended to read:

7           21.15 (1m) (b) ~~The percentages under subs. (1) (a) and (1g) (a) shall be reduced~~  
8 ~~proportionally to reflect the payments made under par. (a) shall reduce only the~~  
9 ~~payments made in June under subs. (1) (a) and (1g) (a).~~ School districts shall treat  
10 the payments made in July under par. (a) as if they had been received in the previous  
11 school year.

12           **SECTION 12.** Notwithstanding s. 990.03 (3), (1999) Wisconsin Act 9, sections  
13 1674, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700,  
14 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1712, 1714, 1715, 1716, 1717, 1721,  
15 1722, 1784, 1785, 1786 and 1787 are repealed.)

16           **SECTION 13.** 1999 Wisconsin Act 9, section 9143 (3g) is repealed.

17           **SECTION 14. Nonstatutory provisions.**

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

19           (a) In this subsection, "state agency" has the meaning given in section 16.417

20           (1) (a) of the statutes.

21           (b) Notwithstanding any other provision of state law that relates to  
22 determining, based on an individual's personal income or assets, that individual's  
23 eligibility for a state-funded grant, loan, monetary assistance or other benefit or the  
24 amount or extent of that grant, loan, monetary assistance or other benefit, a state  
25 agency may not consider receipt of a onetime rebate of nonbusiness consumer sales

1 tax under section 77.64 of the statutes, as created by this act, to be income or an asset  
2 of the individual in the month of receipt or in the month immediately thereafter. This  
3 paragraph shall be broadly construed to avoid determinations of ineligibility for a  
4 state-funded grant, loan, monetary assistance or other benefit.

5 (c) By December 1, 1999, the department of health and family services shall  
6 request a waiver, to the extent permitted under federal law, from the secretary of the  
7 federal department of health and human services under 42 USC 1396n (c), and shall  
8 amend the state plan for services under 42 USC 1396, to authorize the department  
9 of health and family services to disregard receipt by an individual of a onetime rebate  
10 of nonbusiness consumer sales tax under section 77.64 of the statutes, as created by  
11 this act, in determining the individual's eligibility for medical assistance under  
12 section 49.46 (1), 49.465 or 49.47 (4) of the statutes.

13 (d) To the extent permitted under federal law, a state agency shall disregard  
14 receipt by an individual of a onetime rebate of nonbusiness consumer sales tax under  
15 section 77.64 of the statutes, as created by this act, in determining the individual's  
16 eligibility for a federally funded grant, loan, monetary assistance or other benefit or  
17 in determining the amount or extent of that grant, loan, monetary assistance or other  
18 benefit.

19 (2) ACT MAY BE VOID. This act is void if it does not take effect on or before  
20 December 31, 1999.

21 **SECTION 15. Appropriation changes; revenue.**

22 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
23 to the department of revenue under section 20.566 (1) (a) of the statutes, as affected





**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 LFB 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 your 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.

Marc E. Shovers  
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SENATE SUBSTITUTE AMENDMENT ,  
TO ASSEMBLY BILL 1

1     **AN ACT** *to repeal* 71.07 (9) (b) 3. and 121.15 (1m) (a) 1.; *to amend* 20.003 (4) (b),  
2     71.07 (9) (g), 121.07 (7) (b), 121.15 (1m) (a) 3. and 121.15 (1m) (b); *to repeal and*  
3     *recreate* 121.15 (1m) (a) 2.; *to create* 20.003 (4) (c), 20.835 (2) (am) and 77.64  
4     of the statutes; and *to affect* Notwithstanding s. 990.03 (3), 1999 Wisconsin Act  
5     9, sections 1674, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697,  
6     1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1712, 1714,  
7     1715, 1716, 1717, 1721, 1722, 1784, 1785, 1786 and 1787 and 1999 Wisconsin  
8     Act 9, section 9143 (3g); **relating to:** creating a tax rebate for individuals,  
9     modifying the individual income tax rates and brackets structure, changing the  
10    standard deduction, eliminating a personal individual income tax exemption,  
11    changing the school property tax rent credit, reducing the amount that is  
12    available under the school levy tax credit, the school aid distribution schedule,  
13    changing the required statutory balance and making an 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. 71.07 (9) (b) 3. of the statutes, as created by 1999 Wisconsin Act 9,  
10 is repealed.

11           SECTION 5. 71.07 (9) (g) of the statutes, as created by 1999 Wisconsin Act 9, is  
12 amended to read:

13           71.07 (9) (g) No new claim may be filed under this subsection for a ~~taxable year~~  
14 ~~that begins taxable years beginning~~ after December 31, ~~2000~~ 1998, and before  
15 January 1, 2001.

16           SECTION 6. 77.64 of the statutes is created to read:

17           **77.64 Onetime rebate of nonbusiness consumer sales tax paid by**  
18 **individuals. (1) DEFINITIONS.** In this subsection:

19           (a) "Claimant" means an individual who is eligible under sub. (3) to receive or  
20 claim a rebate under this section.

21           (b) "Department" means the department of revenue.

22           (c) "Nonresident" means an individual who was not a resident of this state for  
23 any part of 1998.

1 (d) "Part-year resident" means an individual who was a resident of this state  
2 for some part of 1998.

3 (e) "Resident" means an individual who was a full-year resident of this state  
4 in 1998.

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

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

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

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

23 (bm) A married individual who is a resident and whose spouse is a nonresident,  
24 and who did not file a 1998 Wisconsin income tax return by October 15, 1999, is  
25 eligible to receive a rebate under sub. (2), calculated by the department, only if the

1 couple files a claim with the department not later than June 30, 2000. The claim  
2 shall be filed on a form prepared by the department not later than 60 days after the  
3 effective date of this paragraph .... [revisor inserts date].

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

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

19 (de) A married individual who is a part-year resident and whose spouse is a  
20 nonresident, and who filed a 1998 Wisconsin income tax return, is eligible to receive  
21 a rebate under sub. (2), calculated by the department based on the couple's Wisconsin  
22 adjusted gross income.

23 (dm) A married individual who is a part-year resident and whose spouse is a  
24 nonresident, and who did not file a 1998 Wisconsin income tax return by October 15,  
25 1999, is eligible to receive a rebate under sub. (2), calculated by the department, only

1 if the couple files a claim with the department not later than June 30, 2000. The  
2 claim shall be filed on a form prepared by the department not later than 60 days after  
3 the effective date of this paragraph .... [revisor inserts date].

4 (e) An individual who was a nonresident is eligible to receive a rebate under  
5 sub. (2) if the individual files a claim with the department not later than 30 days after  
6 the effective date of this paragraph .... [revisor inserts date]. The claim shall be filed  
7 on a form prepared by the department. The form shall require a nonresident to  
8 document his or her nonbusiness consumer sales taxes paid to Wisconsin in 1998,  
9 and the documented amount must be at least \$20 for a nonresident to be eligible to  
10 receive a rebate under sub. (2). An individual who was a nonresident is not eligible  
11 to receive a rebate under this paragraph if the individual's spouse is eligible to  
12 receive a rebate under this subsection as a resident or part-year resident.

13 (4) CALCULATION. (a) A claimant who is a resident and married and filed a joint  
14 1998 Wisconsin income tax return or 1998 homestead credit claim shall be eligible  
15 for a rebate in one of the following amounts:

16 1. If the couple's 1998 Wisconsin adjusted gross income is not more than  
17 \$25,000, \$370.

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

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

22 4. If the couple's 1998 Wisconsin adjusted gross income is more than \$75,000,  
23 \$420.

24 (b) A claimant who is a resident and single and filed a 1998 Wisconsin income  
25 tax return or 1998 homestead credit claim, or who is a resident and married and filed

1 a separate 1998 Wisconsin income tax return, or who is a resident and filed a 1998  
2 Wisconsin income tax return as a head of household, shall be eligible for a rebate in  
3 one of the following amounts:

4 1. If the individual's 1998 Wisconsin adjusted gross income is not more than  
5 \$25,000, \$189.

6 2. If the individual's 1998 Wisconsin adjusted gross income is more than  
7 \$25,000 but not more than \$37,500, \$199.

8 3. If the individual's 1998 Wisconsin adjusted gross income is more than  
9 \$37,500, \$210.

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

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

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

19 (f) A claimant under sub. (3) (e) shall be eligible for a rebate that is equal to  
20 30.4% of documented nonbusiness consumer sales taxes paid to Wisconsin in 1998,  
21 up to a maximum rebate of \$210.

22 (5) LIMITATIONS AND CONDITIONS. (a) The department may not consider any  
23 adjustments or amendments made to a 1998 Wisconsin income tax return after  
24 October 15, 1999, in its calculation of a rebate under this section.



1           (b) With regard to a married couple for whom an offset under s. 71.80 (3) or (3m)  
2 must be made against a debt that is owed by only one of the spouses, each spouse shall  
3 be considered by the department to have a 50% ownership interest in the rebate.

4           (c) If an individual who is eligible for a rebate under sub. (3) filed only a 1998  
5 homestead credit claim, the department shall calculate the individual's rebate as if  
6 the individual's Wisconsin adjusted gross income is \$25,000.

7           (d) An individual who was claimed as a dependent on another individual's 1998  
8 federal income tax return is not eligible to claim or receive a rebate under this  
9 section.

10           (e) Section 71.80 (3) and (3m), as it applies to income tax refunds, applies to a  
11 sales tax rebate under this section. rules

12           (f) The department may enforce the rebate under this section and may take any  
13 action, conduct any proceeding and proceed as it is authorized in respect to taxes  
14 under chapter 71. The income tax provisions in chapter 71 relating to assessments,  
15 refunds, appeals, collection, interest and penalties apply to the rebate under this  
16 section.

17           (g) After a rebate has been issued under sub. (2) but before the check, share  
18 draft or other draft has been cashed, either joint claimant may request a separate  
19 check, share draft or other draft for 50% of the joint rebate.

20           (h) If the department is unable to locate an individual or married couple who  
21 is eligible to receive a rebate under sub. (2) by December 31, 2000, or,  
22 notwithstanding ss. 14.58 (12) and 20.912 (1) and notwithstanding s. 20.912 (2) and  
23 (3), as affected by 1999 Wisconsin Act 9, if an individual or married couple who is  
24 issued a check, share draft or other draft and does not cash the check, share draft or  
25 other draft by December 31, 2000, the right to the rebate lapses.

1 (i) If a claimant who was a resident and who filed a 1998 Wisconsin income tax  
2 return or 1998 homestead credit claim becomes deceased after he or she filed his or  
3 her income tax return or homestead credit claim, the amount of the rebate for which  
4 the claimant is eligible shall be paid to the claimant's estate.

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

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

10 (6) ~~SUNSET. This section does not apply after December 31, 2000.~~

11 **SECTION 7.** 121.07 (7) (b) of the statutes, as affected by 1999 Wisconsin Act 9,  
12 is amended to read:

13 121.07 (7) (b) The "secondary guaranteed valuation per member" is an amount,  
14 rounded to the next lower dollar, that, after subtraction of payments under ss. 121.09  
15 and 121.85 (6) (b) 2. and 3. and (c), fully distributes an amount equal to the amount  
16 remaining in the appropriation under s. 20.255 (2) (ac) plus ~~\$75,000,000 in the~~  
17 ~~1997-98 school year and \$100,000,000 in the 1998-99 school year and \$25,000,000~~  
18 in the 2000-01 school year for payments under ss. 121.08, 121.105, 121.85 (6) (a) and  
19 (g) and 121.86.

20 **SECTION 8.** 121.15 (1m) (a) 1. of the statutes is repealed.

21 **SECTION 9.** 121.15 (1m) (a) 2. of the statutes is repealed and recreated to read:

22 121.15 (1m) (a) 2. Beginning in the 2000-01 school year, annually the state  
23 shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),  
24 \$25,000,000 on the first Monday in July of the following school year.

25 **SECTION 10.** 121.15 (1m) (a) 3. of the statutes is amended to read:

1            121.15 (1m) (a) 3. Beginning in the 1999-2000 school year, annually the state  
2 shall pay to school districts, from the appropriation under s. 20.255 (2) (ac),  
3 \$75,000,000 on the 4th Monday in July of the following school year. Beginning in  
4 July 2001, the payment under this paragraph shall be made on the first Monday in  
5 July.

6            **SECTION 11.** 121.15 (1m) (b) of the statutes is amended to read:

7            121.15 (1m) (b) ~~The percentages under subs. (1) (a) and (1g) (a) shall be reduced~~  
8 ~~proportionally to reflect the payments made under par. (a) shall reduce only the~~  
9 ~~payments made in June under subs. (1) (a) and (1g) (a).~~ School districts shall treat  
10 the payments made in July under par. (a) as if they had been received in the previous  
11 school year.

12            **SECTION 12.** Notwithstanding s. 990.03 (3), 1999 Wisconsin Act 9, sections  
13 1674, 1689, 1690, 1691, 1691c, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700,  
14 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1711, 1712, 1714, 1715, 1716, 1717, 1721,  
15 1722, 1784, 1785, 1786 and 1787 are repealed.

16            **SECTION 13.** 1999 Wisconsin Act 9, section 9143 (3g) is repealed.

17            **SECTION 14. Nonstatutory provisions.**

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

19            (a) In this subsection, "state agency" has the meaning given in section 16.417

20            (1) (a) of the statutes.

21            (b) Notwithstanding any other provision of state law that relates to  
22 determining, based on an individual's personal income or assets, that individual's  
23 eligibility for a state-funded grant, loan, monetary assistance or other benefit or the  
24 amount or extent of that grant, loan, monetary assistance or other benefit, a state  
25 agency may not consider receipt of a onetime rebate of nonbusiness consumer sales

A →

replace  
with  
other  
language

(B)

Notwithstanding the payment schedule under s.121.15, in 2000-01, an additional \$25 million shall be paid on the first Monday in July of the following school year. To implement this additional payment delay, the Department of Public Instruction shall reduce only the payment made in June and shall set the secondary guarantee to distribute equalization aid funding as if this additional delay had not been made. The Department of Public Instruction shall also reduce only the payment made in June for the current aid amount paid in July of the following school year, rather than making a proportional reduction, and shall pay that aid amount on the first Monday in July of the following school year, rather than on the fourth Monday in July.

for vetoes 2+3

1 tax ~~under section 77.64 of the statutes~~, as created by this act, to be income or an asset  
2 of the individual in the month of receipt or in the month immediately thereafter. This  
3 paragraph shall be broadly construed to avoid determinations of ineligibility for a  
4 state-funded grant, loan, monetary assistance or other benefit.

5 (c) By December 1, ~~1999~~, the department of health and family services shall  
6 request a waiver, to the extent permitted under federal law, from the secretary of the  
7 federal department of health and human services, ~~under 42 USC 1396a(e)~~, and shall  
8 amend the state plan for <sup>??</sup> services, ~~under 42 USC 1396~~, to authorize the department  
9 of health and family services to disregard receipt by an individual of a onetime rebate  
10 of nonbusiness consumer sales tax ~~under section 77.64 of the statutes~~, as created by  
11 this act, in determining the individual's eligibility for medical assistance, ~~under~~  
12 ~~section 49.46 (1), 49.465 or 49.47 (4) of the statutes.~~

13 (d) To the extent permitted under federal law, a state agency shall disregard  
14 receipt by an individual of a onetime rebate of nonbusiness consumer sales tax under  
15 section 77.64 of the statutes, as created by this act, in determining the individual's  
16 eligibility for a federally funded grant, loan, monetary assistance or other benefit or  
17 in determining the amount or extent of that grant, loan, monetary assistance or other  
18 benefit.

19 (2) ~~ACT MAY BE VOID. This act is void if it does not take effect on or before~~  
20 ~~December 31, 1999.~~

21 **SECTION 15. Appropriation changes; revenue.**

22 (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
23 to the department of revenue under section 20.566 (1) (a) of the statutes, as affected

MR  
NOTES

(B) →

1 by the acts of 1999, the dollar amount is increased by \$2,400,000 for fiscal year  
2 1999-00 to increase funding for the purposes for which the appropriation is made.

3 (END)

Notwithstanding chapter nine hundred and ninety, section three, subsection three of the statutes, nineteen hundred and ninety nine Wisconsin Act nine, sections sixteen hundred and seventy four, sixteen hundred and eighty nine, sixteen hundred and ninety, sixteen hundred and ninety one, sixteen hundred and ninety one- "c," sixteen hundred and ninety two, sixteen hundred and ninety three, sixteen hundred and ninety four, sixteen hundred and ninety five, sixteen hundred and ninety six, sixteen hundred and ninety seven, sixteen hundred and ninety eight, sixteen hundred and ninety nine, seventeen hundred, seventeen hundred and one, seventeen hundred and two, seventeen hundred and three, seventeen hundred and four, seventeen hundred and five, seventeen hundred and six, seventeen hundred and seven, seventeen hundred and eleven, seventeen hundred and twelve, seventeen hundred and fourteen, seventeen hundred and fifteen, seventeen hundred and sixteen, seventeen hundred and seventeen, seventeen hundred and twenty one, seventeen hundred and twenty two, seventeen hundred and eighty four, seventeen hundred and eighty five, seventeen hundred and eighty six, seventeen hundred and eighty seven and ninety one hundred and forty three, subsection three-"g" are repealed.

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, seventeen hundred and fourteen, seventeen hundred and fifteen,

~~AA~~

Notwithstanding chapter nine hundred and ninety, section three, subsection three of the statutes, nineteen hundred and ninety nine Wisconsin Act nine, sections sixteen hundred and seventy four, sixteen hundred and eighty nine through seventeen hundred and seven, seventeen hundred and eleven, ~~through~~ seventeen hundred and sixteen, seventeen hundred and seventeen, seventeen hundred and twenty one, seventeen hundred and twenty two, seventeen hundred and eight four, ~~through~~ seventeen hundred and eighty seven and ninety one hundred and forty three, subsection three-"g" are repealed.

17 seventeen hundred and eighty five,

S:\lfb\docs\m99\11\09stats

sixteen hundred and eighty eight "d",