

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa1138/3dn
MES:cmh:hmh

January 31, 2000

Please review this amendment carefully; it entails some significant policy decisions. I believe that the amendment addresses the department of revenue's concerns, but I'm not sure what events you believe should trigger the add modifications in created s. 71.05 (6) (a) 22. and 23., and whether the amendment to s. 71.05 (6) (b) 23. and the addition to s. 71.05 (6) (b) 31. reflect your intent. Let me know if any of these subdivisions do not reflect your intent.

Also, it seems to me that enforcement of the add modifications may be a problem. If, for example, a parent sets up a college savings account for his or her child when the child is born and contributes for 5 years, and then 15 years later the now 20-year-old beneficiary makes an improper withdrawal, who should be liable for the subtract modifications that had been claimed by the account owner? Who, or which agency, will keep track of all of these accounts, monitor the withdraws and then notify DOR if an improper withdrawal is made? For example, the add modification may be triggered 10 or 20 years after the subtract modification was claimed.

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