

To: Members, Senate Committee on Economic Development, Housing and Government Operations

From: Senate Robert Wirch, Chairman

Date: April 27, 1999

Re: Paper Ballot – Senate Bill 74

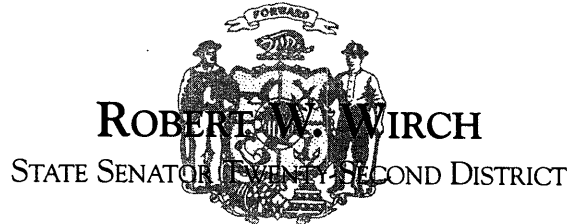
PLEASE RETURN YOUR BALLOTS AS QUICKLY AS POSSIBLE! YOUR COOPERATION IS GREATLY APPRECIATED

Motion by Senator Wirch for passage of **Senate Bill 74**, relating to creating a nonrefundable individual income tax credit for certain expenses related to child or dependent care.

Aye ✓ No

Signature: Robert Wirch

State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 • 608-267-8979
Toll-Free Office Hotline: 1-888-769-4724
Email: Sen.Wirch@legis.state.wi.us • Fax: (608) 267-0984
Home: 3007 Springbrook Road, Kenosha, Wisconsin 53142 • (414) 694-7379



To: Members, Senate Committee on Economic Development, Housing and Government Operations

From: Senate Robert Wirch, Chairman

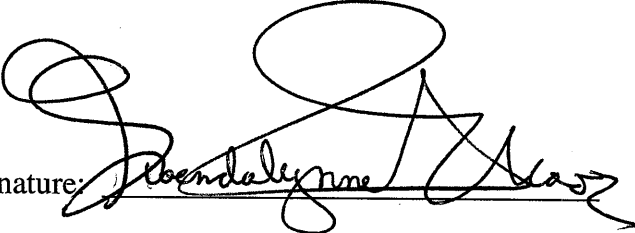
Date: April 27, 1999

Re: Paper Ballot – Senate Bill 74

PLEASE RETURN YOUR BALLOTS AS QUICKLY AS POSSIBLE! YOUR COOPERATION IS GREATLY APPRECIATED

Motion by Senator Wirch for passage of **Senate Bill 74**, relating to creating a nonrefundable individual income tax credit for certain expenses related to child or dependent care.

Aye X No

Signature: 

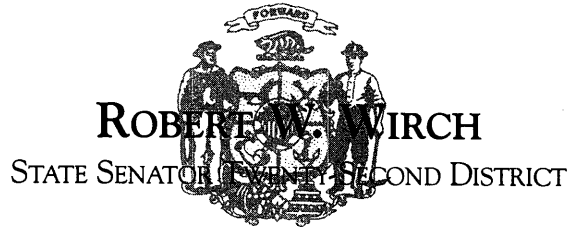
State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 • 608-267-8979

Toll-Free Office Hotline: 1-888-769-4724

Email: Sen.Wirch@legis.state.wi.us • Fax: (608) 267-0984

Home: 3007 Springbrook Road, Kenosha, Wisconsin 53142 • (414) 694-7379

♻️ Printed on Recycled Paper



To: Members, Senate Committee on Economic Development, Housing and Government Operations

From: Senate Robert Wirch, Chairman

Date: April 27, 1999

Re: Paper Ballot – Senate Bill 74

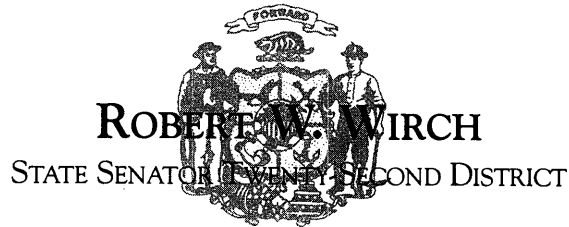
PLEASE RETURN YOUR BALLOTS AS QUICKLY AS POSSIBLE! YOUR COOPERATION IS GREATLY APPRECIATED

Motion by Senator Wirch for passage of **Senate Bill 74**, relating to creating a nonrefundable individual income tax credit for certain expenses related to child or dependent care.

Aye X No _____

Signature: Dan Jen

State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 • 608-267-8979
Toll-Free Office Hotline: 1-888-769-4724
Email: Sen.Wirch@legis.state.wi.us • Fax: (608) 267-0984
Home: 3007 Springbrook Road, Kenosha, Wisconsin 53142 • (414) 694-7379



To: Members, Senate Committee on Economic Development, Housing and Government Operations

From: Senate Robert Wirch, Chairman

Date: April 27, 1999

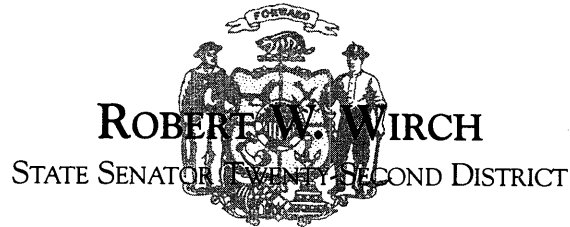
Re: Paper Ballot – Senate Bill 74

PLEASE RETURN YOUR BALLOTS AS QUICKLY AS POSSIBLE! YOUR COOPERATION IS GREATLY APPRECIATED

Motion by Senator Wirch for passage of **Senate Bill 74**, relating to creating a nonrefundable individual income tax credit for certain expenses related to child or dependent care.

Aye X No _____

Signature: Mary F. Oprea



To: Members, Senate Committee on Economic Development, Housing and Government Operations

From: Senate Robert Wirch, Chairman

Date: April 27, 1999

Re: Paper Ballot – Senate Bill 74

PLEASE RETURN YOUR BALLOTS AS QUICKLY AS POSSIBLE! YOUR COOPERATION IS GREATLY APPRECIATED

Motion by Senator Wirch for passage of **Senate Bill 74**, relating to creating a nonrefundable individual income tax credit for certain expenses related to child or dependent care.

Aye X No _____

Signature: 

State Capitol, P.O. Box 7882, Madison, Wisconsin 53707-7882 • 608-267-8979

Toll-Free Office Hotline: 1-888-769-4724

Email: Sen.Wirch@legis.state.wi.us • Fax: (608) 267-0984

Home: 3007 Springbrook Road, Kenosha, Wisconsin 53142 • (414) 694-7379

♻️ Printed on Recycled Paper

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 4/14/99
BILL NO. SB 74
OF
SUBJECT _____

Cory Mason for Sen Robson
(NAME)
PO Box 7882 - 15 South
(Street Address or Route Number)
Madison, WI 53707
(City and Zip Code)

(Representing) _____
Speaking in Favor:
Speaking Against:
Registering in Favor:
but not speaking:
Registering Against:
but not speaking:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 4/14/99
BILL NO. _____
OF
SUBJECT SB 74

Spencer Black
(NAME)
(Street Address or Route Number) _____
(City and Zip Code) 77 AD

(Representing) _____
Speaking in Favor:
Speaking Against:
Registering in Favor:
but not speaking:
Registering Against:
but not speaking:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 4-14-99
BILL NO. SB 74
OF
SUBJECT _____

Tom Ourada - Exec. Asst. DoR
(NAME)
(Street Address or Route Number) _____
(City and Zip Code) _____
(Representing) Dept. of Revenue

Speaking in Favor:
Speaking Against:
Registering in Favor:
but not speaking:
Registering Against:
but not speaking:
Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 4/14/99

BILL NO. SB 74

OR
SUBJECT _____

Jon Leacock
(NAME)

(Street Address or Route Number)

(City and Zip Code)

Wisconsin Budget Project
(Representing As the Wis. Council on Children & Families)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 14 April 1999

BILL NO. SB 74

OR
SUBJECT _____

Sen. Fred Risser
(NAME)

220 South Capitol
(Street Address or Route Number)

(City and Zip Code)

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: April 14, 1999

BILL NO. SB 74

OR
SUBJECT Child Care Tax

Credit (+Dependent Care)

Rev. Sue Albino Foreman
(NAME)

322 E. Washington
(Street Address or Route Number)

Madison, 53703-2834
(City and Zip Code)

Lutheran Office for Public
(Representing) Policy w/ WEA

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 4/14/99

BILL NO. SB74
OR

SUBJECT _____

Joanne Ricca
(NAME)

633 W. Seward
(Street Address or Route Number)

Shulmansee 53213
(City and Zip Code)

WI STATE AFL-CIO
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY**.

Senate Sergeant-At-Arms
Room 109-LL One East Main
P.O. Box 7882
Madison, WI 53707-7882



Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

**TESTIMONY ON
SENATE BILL 74
TO SENATE COMMITTEE
ON ECONOMIC DEVELOPMENT
April 14, 1999**

Thank you for the opportunity to present information concerning the creation of a state individual income tax credit for expenses related to child or dependent care.

Federal law provides a credit for child and dependent care expenses for up to \$2400 for one child, and \$4800 for two or more children. Depending on the adjusted gross income, the credit can be as much as 30% of child care expenses. As the AGI increases, the percentage applied declines according to a schedule. For AGI above \$28,000, the credit is 20% of eligible expenses.

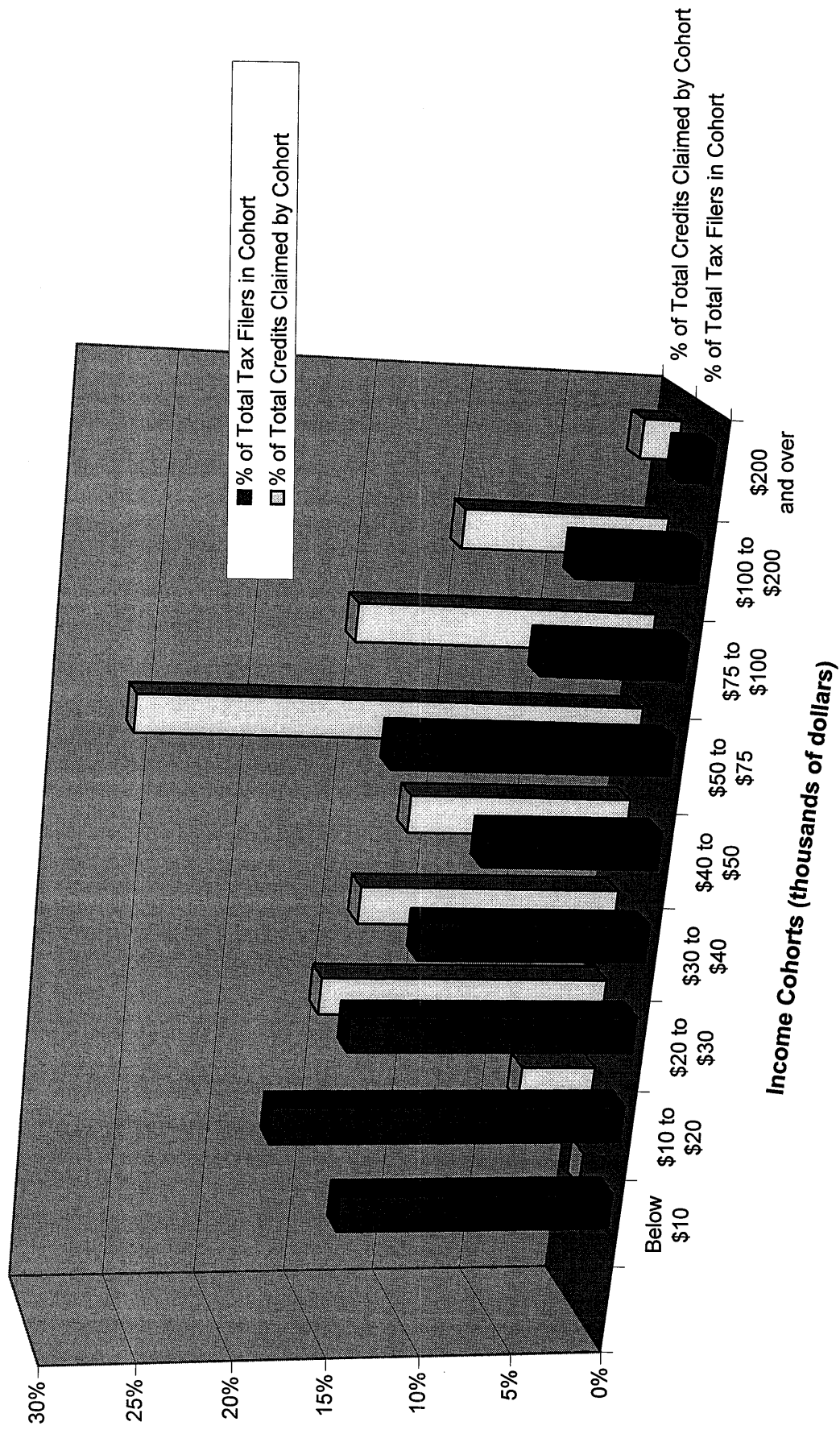
The maximum federal credit is \$720 for one dependent and \$1440 for two or more dependents. The federal credit may be claimed only if the tax filer and spouse are both working, or if one parent is a full-time student or an individual incapable of caring for himself or herself. In the case of a single parent tax filer, the filer must also be working full time.

The only Wisconsin tax benefit provided for child and dependent care services under current law, is an exclusion from gross income of the amount of employer sponsored child care or dependent care that does not exceed \$5000.

Adoption of SB 74, which would create a nonrefundable credit for child and dependent care expenses equal to 50% of the federal credit, would offset a portion of a taxpayer's costs of earning income. For many tax filers, child care and dependent care is a significant expense they face in earning wages.

The committee should be aware however, that many costs of earning income are currently not deductible. These would include costs of commuting to and from work or meals during the workday. Allowing a credit only for certain expenses incurred by just one segment of the workforce would raise questions of tax fairness. A new credit would not be in line with the objective of tax simplification that is one of the primary goals of the Governor's tax reform proposal.

Distribution of Federal Dependent Tax Credit by Income Cohort



Source: Derived from U.S. Congress Joint Committee on Taxation, "Estimates of Federal Tax Expenditures for Fiscal Years 1999-2003," U.S. Government Printing Office, December 14, 1998.