

2001 Jr2 DRAFTING REQUEST

Assembly Amendment (AA-AB1)

Received: **03/07/2002**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 6-3773**

By/Representing: **Reinhardt**

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

Drafter: **shoveme**

May Contact:

Addl. Drafters: **malaigm**

Subject: **Tax - individual income
Health - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

LFB:.....Reinhardt -

Topic:

Use TANF funding for part of the earned income tax credit costs

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 03/08/2002	csicilia 03/08/2002	pgreensl 03/08/2002	_____	lrb_docadmin 03/08/2002		
/2	shoveme 03/08/2002	csicilia 03/08/2002	kfollet 03/08/2002	_____	lrb_docadmin 03/08/2002		

FE Sent For:

<END>

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12 ME 5 3/8/02
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12 cjs 3/8/02

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Addl. Drafters: *Kennedy GMM*

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/1	shoveme	<i>1 ojs 3/8</i>	<i>3/8</i>	<i>3/8</i>			
<i>11 MES</i>		<i>3/8/02</i>	<i>02 p8</i>	<i>p811cjr</i>			

FE Sent For:

<END>

but retain the current levy rate limit of 1.5 mills on the levy for all purposes except debt service. Delete the proposed 10% limit on increases in program fees charged students in 2002-03.

E. Wage Claim Liens. ~~Modify the state wage payment and collection law to delete the requirement that a lien of a financial institution that originates before a wage claim lien takes effect takes precedence over the wage claim lien. Require that the change in precedence applies retroactively beginning with wage claim liens filed after February 1, 1998.~~

F. Earned Income Tax Credit. Utilize TANF funding for the eligible portion of the projected increase in the cost of the EITC in 2002-03 by: (a) providing \$2,960,000 in additional TANF funds in 2002-03; and (b) reducing estimated expenditures from the GPR sum sufficient EITC appropriation by \$2,960,000 in that year. [The TANF funds would be budgeted as FED in DWD and also as PR-S under Shared Revenue and Tax Relief.]

Rob
Reinhart

G. Sales Factor of Apportionment Formula. ~~Starting with tax years beginning on or after January 1, 2004, increase the sales factor to represent 55% of the apportionment formula used under the state income and franchise tax to apportion the income of corporations (including insurance companies, financial institutions, and gas, electric and telecommunications utilities), nonresidential individuals, and estate and trusts. Decrease the payroll and property factors to each represent 22.5% of the apportionment formula. [There would be no fiscal effect in the current biennium. However, it is estimated that state income and franchise tax revenues would be reduced by \$4.0 million in 2003-04 and \$8.8 million annually thereafter.]~~

H. State References to Federal Depreciation Provisions. Delete current law provisions that permit taxpayers to compute amortization or depreciation under the federal Internal Revenue Code in effect for the tax year for which the return is filed and provide that federal amortization and depreciation provisions could be adopted for state tax purposes only after action by the Legislature.

[Change to Bill: \$134,168,700 GPR, \$200,000,000 GPR-REV, -\$200,000,000 GPR-Lapse, \$2,960,000 FED and \$2,960,000 PR]



State of Wisconsin
 2001 - 2002 LEGISLATURE
 January 2002 Special Session

LRBb2355/1
 GMM&MES:1:.....

g
cjs *fmr*

LFB:.....Reinhardt – Use TANF funding for part of the earned income tax credit costs

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL 1

1 At the locations indicated, amend the bill as follows:

2 1. Page 65, line 4: after that line insert:

3 “SECTION 119m. 49.175 (1) (zh) 2. of the statutes, as affected by 2001 Wisconsin
 4 Act 16, is amended to read:

5 49.175 (1) (zh) 2. ‘Taxable years 1999 and thereafter.’ For the transfer of
 6 moneys from the appropriation account under s. 20.445 (3) (md) to the appropriation
 7 account under s. 20.835 (2) (kf) for the earned income tax credit, \$51,244,500 in fiscal
 8 year 2001-02 and ~~\$52,200,000~~ \$55,160,000 in fiscal year 2002-03.”

NOTE: NOTE: Subd. 2. is shown as amended by 2001 Wis. Act 16, s. 1711b. Act 16, s. 1711b, states that it amends all of s. 49.175 (1) (zh), but only treated subd.
 2. Corrective legislation is pending. NOTE:

History: 1997 a. 27, 105, 236, 237, 252, 318; 1999 a. 9; 2001 a. 16.

9 2. Page 449, line 10: after that line insert:



State of Wisconsin
2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBb2355/2
GMM&MES:cjs:pg

LFB:.....Reinhardt – Use TANF funding for part of the earned income tax credit costs

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT,

TO ASSEMBLY BILL 1

(S) TEMPORARY ASSISTANCE FOR
NEEDY FAMILIES

1 At the locations indicated, amend the bill as follows:

2 1. Page 65, line 4: after that line insert:

3 "SECTION 119m. 49.175 (1) (zh) 2. of the statutes, as affected by 2001 Wisconsin
4 Act 16, is amended to read:

5 49.175 (1) (zh) 2. 'Taxable years 1999 and thereafter.' For the transfer of
6 moneys from the appropriation account under s. 20.445 (3) (md) to the appropriation
7 account under s. 20.835 (2) (kf) for the earned income tax credit, \$51,244,500 in fiscal
8 year 2001-02 and ~~\$52,200,000~~ \$55,160,000 in fiscal year 2002-03."

9 2. Page 449, line 10: after that line insert:

10 "(12q) ~~TANF~~ TRANSFER FOR EARNED INCOME TAX CREDIT. In the schedule under
11 section 20.005 (3) of the statutes for the appropriation to the department of workforce

FMS
1-9

1 development under section 20.445 (3) (md) of the statutes, as affected by the acts of
2 2001, the dollar amount is increased by \$2,960,000 for fiscal year 2002-03 to increase
3 funding for the transfer of moneys to the appropriation account under section 20.835
4 (2) (kf) of the statutes.”

5

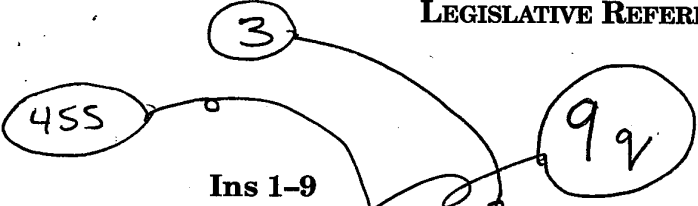
(END)

INS 1-9

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb2355/2ins
GMM&MES:cjs:pg

lowers case
↓



CS TEMPORARY ASSISTANCE FOR
NEEDY FAMILIES.

upper case
↓

Ins 1-9

1. Page 439, line 12: after that line insert:

"(6) EARNED INCOME TAX CREDIT FUNDING INCREASE, ~~TANF~~ In the schedule under section 20.005 (3) of the statutes for the appropriation ~~to the department of revenue~~ under section 20.835 (2) (kf) of the statutes, as affected by the acts of 2001, the dollar amount is increased by \$2,960,000 for fiscal year 2002-03 ~~to increase funding to pay the claims under the earned income tax credit.~~

OK OK
to increase funding
for the purpose
for which the
appropriation is
made

[Handwritten scribble]



State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2355/2
GMM&MES:cjs:kjf

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FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

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2 **1.** Page 65, line 4: after that line insert:

3 “SECTION 119m. 49.175 (1) (zh) 2. of the statutes, as affected by 2001 Wisconsin
4 Act 16, is amended to read:

5 49.175 (1) (zh) 2. ‘Taxable years 1999 and thereafter.’ For the transfer of
6 moneys from the appropriation account under s. 20.445 (3) (md) to the appropriation
7 account under s. 20.835 (2) (kf) for the earned income tax credit, \$51,244,500 in fiscal
8 year 2001-02 and ~~\$52,200,000~~ \$55,160,000 in fiscal year 2002-03.”.

9 **2.** Page 449, line 10: after that line insert:

10 “(12q) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES TRANSFER FOR EARNED INCOME
11 TAX CREDIT. In the schedule under section 20.005 (3) of the statutes for the

1 appropriation to the department of workforce development under section 20.445 (3)
2 (md) of the statutes, as affected by the acts of 2001, the dollar amount is increased
3 by \$2,960,000 for fiscal year 2002–03 to increase funding for the transfer of moneys
4 to the appropriation account under section 20.835 (2) (kf) of the statutes.”.

5 **3.** Page 455, line 3: after that line insert:

6 “(9q) EARNED INCOME TAX CREDIT FUNDING INCREASE; TEMPORARY ASSISTANCE FOR
7 NEEDY FAMILIES. In the schedule under section 20.005 (3) of the statutes for the
8 appropriation under section 20.835 (2) (kf) of the statutes, as affected by the acts of
9 2001, the dollar amount is increased by \$2,960,000 for fiscal year 2002–03 to increase
10 funding for the purpose for which the appropriation is made.”.

11 (END)