

2001 Jr2 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB1)

Received: **03/11/2002**

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau 7-7597**

By/Representing: **Russell**

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

Drafter: **shoveme**

May Contact:

Addl. Drafters:

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

Extra Copies:

Submit via email: **NO**

Pre Topic:

LFB:.....Russell -

Topic:

Income tax deduction for, and limits on, contributions to college savings accounts, tuition expenses programs

Instructions:

See Attached. Same as SSA 1 to SB 131, LRB s0129/1, with modifications

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>
/?	shoveme 03/12/2002	hhagen 03/12/2002		_____			
/1			pgreensl 03/12/2002	_____	lrb_docadmin 03/12/2002		

FE Sent For:

<END>

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1?	shoveme	11 hmb 3/12/02	3 12 p8	3 12 p8/16			
11 MES	3/12/02						

FE Sent For:

<END>

Shovers, Marc

From: Russell, Faith
Sent: Saturday, March 09, 2002 12:03 PM
To: Shovers, Marc
Subject: drafting instructions for amendment to JFC sub

Hi Marc -

There is only one item in my area that was approved by ARC and I don't think it will be too tough. The ARC included LRBs-0129/1 (which is SSA1 to 2001 SB131), with a modification to clarify that the total deduction for contributions to the two types of college savings programs by a married couple filing a joint tax return could not exceed \$3,000 per year per beneficiary.

This resulted because Tom Reid at DOR believes that, SSA1 to SB 131 fails to definitively close a loophole for a parents who are married and filing jointly. As written, he believes that, one of the married-joint parents could take a \$3,000 deduction under s. 72.05(6)(b) 32 and the other could take a \$3,000 deduction under s. 72.05(6)(b)33. My suggestion for making sure this loophole is closed would also limit married grandparents filing jointly to a deduction of \$3,000 total, which is what ARC approved. I thought something along these lines might work:

At the end of section 2 of SSA 1 to SB 131, add a sentence at the end along these lines:

"In the case of a married couple filing a joint return, the total deduction under this subdivision and under subd. 33., per beneficiary by the married couple may not exceed \$3,000 each year."

At the comparable location at the end of section 4, at a similar statement: "In the case of a married couple filing a joint return, the total deduction under this subdivision and under subd. 32., per beneficiary by the married couple may not exceed \$3,000 each year."

I hope the intention is clear to you. If there's a better way to accomplish it, that would be fine with me. Thanks, Marc --

Faith

2001

Date (time) needed _____

LRB b 2450, 1
MS: hmk: RMJR


**ARC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**January 2002 SPECIAL SESSION CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 ASSEMBLY BILL 1**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

#. Page 66, line 15: after that line insert: 

#. Page, line:

#. Page, line:

#. Page, line:

#. Page, line:

#. Page, line:

**SENATE SUBSTITUTE AMENDMENT 1,
TO 2001 SENATE BILL 131**

June 12, 2001 - Offered by COMMITTEE ON UNIVERSITIES, HOUSING, AND GOVERNMENT OPERATIONS.

1 **AN ACT to amend** 71.05 (6) (b) 32. (intro.), 71.05 (6) (b) 32. a., 71.05 (6) (b) 33.
2 (intro.) and 71.05 (6) (b) 33. a. of the statutes; **relating to** allowing an
3 individual income tax deduction for certain amounts contributed by a
4 grandparent to a college savings account or a college tuition and expenses
5 program and limiting the deductibility of total contributions to a college savings
6 account and a college tuition and expenses program.

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

7 " SECTION ^{170L} 71.05 (6) (b) 32. (intro.) of the statutes, as created by 1999 Wisconsin
8 Act 44, is amended to read:

9 71.05 (6) (b) 32. (intro.) An amount paid into a college savings account, as
10 described in s. 14.64, if the beneficiary of the account either is the claimant or; is the
11 claimant's child and the claimant's dependent who is claimed under section 151 (c)
12 of the Internal Revenue Code; or is the claimant's grandchild; calculated as follows:

use 2x
In the case of a married couple filing a joint return, the total deduction under this subdivision and under subdivision

SECTION ~~3~~ 71.05 (6) (b) 32. a. of the statutes, as created by 1999 Wisconsin Act 44, is amended to read:

71.05 (6) (b) 32. a. An amount equal to not more than \$3,000 per beneficiary by each contributor to an account for each year to which the claim relates, except that the total amount for which a deduction may be claimed under this subdivision and under subd. 33., per beneficiary by any claimant may not exceed \$3,000 each year

SECTION ~~3~~ 71.05 (6) (b) 33. (intro.) of the statutes, as created by 1999 Wisconsin Act 44, is amended to read:

71.05 (6) (b) 33. (intro.) An amount paid into a college tuition and expenses program, as described in s. 14.63, if the beneficiary of the account either is the claimant or is the claimant's child and the claimant's dependent who is claimed under section 151 (c) of the Internal Revenue Code, or is the claimant's grandchild, calculated as follows:

SECTION ~~4~~ 71.05 (6) (b) 33. a. of the statutes, as created by 1999 Wisconsin Act 44, is amended to read:

71.05 (6) (b) 33. a. An amount equal to not more than \$3,000 per beneficiary by each contributor to an account for each year to which the claim relates, except that the total amount for which a deduction may be claimed under this subdivision and under subd. 32., per beneficiary by any claimant may not exceed \$3,000 each year

SECTION 5. Initial applicability.

#, Page 437, line 12: after that line insert:

" (3) ~~This act~~ *se* first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 ~~this act~~ *the* first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect. "

(END)

Income tax deductions; college savings.

CS

use 2x

33,

per beneficiary by the married couple may not exceed \$3,000 each year

use 2x

32,

of the statutes



State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2450/1
MES:hmh:pg

LFB:.....Russell – Income tax deduction for, and limits on, contributions to college savings accounts, tuition expenses programs

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 1

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 66, line 15: after that line insert:

3 "SECTION 170L. 71.05 (6) (b) 32. (intro.) of the statutes, as created by 1999
4 Wisconsin Act 44, is amended to read:

5 71.05 (6) (b) 32. (intro.) An amount paid into a college savings account, as
6 described in s. 14.64, if the beneficiary of the account either is the claimant or is the
7 claimant's child and the claimant's dependent who is claimed under section 151 (c)
8 of the Internal Revenue Code; or is the claimant's grandchild; calculated as follows:

9 SECTION 170Lb. 71.05 (6) (b) 32. a. of the statutes, as created by 1999 Wisconsin
10 Act 44, is amended to read:

1 71.05 (6) (b) 32. a. An amount equal to not more than \$3,000 per beneficiary
2 by each contributor to an account for each year to which the claim relates, except that
3 the total amount for which a deduction may be claimed under this subdivision and
4 under subd. 33., per beneficiary by any claimant may not exceed \$3,000 each year.
5 In the case of a married couple filing a joint return, the total deduction under this
6 subdivision and under subdivision 33., per beneficiary by the married couple may not
7 exceed \$3,000 each year.

8 **SECTION 170Ld.** 71.05 (6) (b) 33. (intro.) of the statutes, as created by 1999
9 Wisconsin Act 44, is amended to read:

10 71.05 (6) (b) 33. (intro.) An amount paid into a college tuition and expenses
11 program, as described in s. 14.63, if the beneficiary of the account either is the
12 claimant or; is the claimant's child and the claimant's dependent who is claimed
13 under section 151 (c) of the Internal Revenue Code; or is the claimant's grandchild;
14 calculated as follows:

15 **SECTION 170Le.** 71.05 (6) (b) 33. a. of the statutes, as created by 1999 Wisconsin
16 Act 44, is amended to read:

17 71.05 (6) (b) 33. a. An amount equal to not more than \$3,000 per beneficiary
18 by each contributor to an account for each year to which the claim relates, except that
19 the total amount for which a deduction may be claimed under this subdivision and
20 under subd. 32., per beneficiary by any claimant may not exceed \$3,000 each year.
21 In the case of a married couple filing a joint return, the total deduction under this
22 subdivision and under subdivision 32., per beneficiary by the married couple may not
23 exceed \$3,000 each year.”.

24 **2.** Page 437, line 12: after that line insert:

1 “(5f) INCOME TAX DEDUCTIONS; COLLEGE SAVINGS. The treatment of sections 71.05
2 (6) (b) 32. (intro.) and a. and 33. (intro.) and a. of the statutes first applies to taxable
3 years beginning on January 1 of the year in which this subsection takes effect, except
4 that if this subsection takes effect after July 31 the treatment of sections 71.05 (6)
5 (b) 32. (intro.) and a. and 33. (intro.) and a. of the statutes first applies to taxable
6 years beginning on January 1 of the year following the year in which this subsection
7 takes effect.”

8

(END)