

**2003 DRAFTING REQUEST**

**Senate Substitute Amendment (SSA-SB568)**

Received: **05/18/2004**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Alberta Darling (608) 266-5830**

By/Representing: **Faith Russell**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters: **jkreye**

Subject: **Tax (indiv) - misc.  
Tax - corp. inc. and fran.**

Extra Copies: **e-mail to Faith Russell  
at LFB**

Submit via email: **YES**

Requester's email: **Sen.Darling@legis.state.wi.us**

Carbon copy (CC:) to: **joseph.kreye@legis.state.wi.us  
faith.russell@legis.state.wi.us**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

IRC update; health savings accounts

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**Instructions:**

See Attached. Based on s0480/2

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**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>
/?	mshovers 05/18/2004	wjackson 05/18/2004		_____			
/1			rschlue 05/18/2004	_____	lnorthro 05/18/2004	lnorthro 05/18/2004	

<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	mshovers 05/18/2004	wjackson 05/18/2004	pgreensl 05/18/2004	_____	Inorthro 05/18/2004	Inorthro 05/18/2004	

FE Sent For:

<END>

**2003 DRAFTING REQUEST**

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Received: **05/18/2004**

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/?	mshovers 05/18/2004	wjackson 05/18/2004					
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05/18/2004 12:44:03 PM  
Page 2

LRBs0481

FE Sent For:

13 MES 5/18/04

<END>

Call Bob Lang  
when this  
is ready

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1?	mshovers	1 wly 5/18					
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FE Sent For:

<END>

**Shovers, Marc**

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**From:** Tormey, Jessica  
**Sent:** Tuesday, May 18, 2004 10:26 AM  
**To:** Shovers, Marc; Grant, Peter; Ottman, Tad; Russell, Faith; Harmelink, Diane; Marchant, Robert; Volz, David

It is my understanding the Senate's version of the Health Savings Account bill is LRB 4577/1 and the Assembly's version is LRB 4580/1. Faith Russell at LFB indicated she was working on changes to the Assembly draft, and that she had to submit an additional change this am. Those changes, in total, to the Assembly version should also be adopted for the Senate version. I was asked by the Seante Chief Clerk to get the Senate LRB number (and a draft when possible) so a paper ballot can be sent to Senate Org. While Marc Shovers wasn't available this moment, Peter Grant confirmed we could have those changes (even if substantive), in the form of a "slash 2" verses alternative LRB numbers. Therefore, it appears both the paper ballots and the LFB papers could be Assembly LRB 4577/2 and Senate LRB 4580/2?

I'm cc'ing several people hoping to ensure everyone is on the same page. Please let me know when I can confirm this for the Chief Clerk.

Faith suggests  
redrafting -4577/1 so  
its the same as -4580/2,  
and then creating a new  
sub, identical to  
50480/2



State of Wisconsin  
2003 - 2004 LEGISLATURE

S 0481 / 1  
LRB-4577/2

MES&JK:wlj:jf

Rmvr

SSA \_\_\_\_\_,  
to 2003 SENATE BILL (LRB - 4577/2) ✓

now

Re  
gen

ACT to create subchapter XVI of chapter 71 [precedes 71.98] of the statutes;  
relating to: adopting federal law as it relates to health savings accounts for  
state income and franchise tax purposes and providing a penalty ✓

*Analysis by the Legislative Reference Bureau*

~~bill~~ <sup>substitute amendment</sup> adopts, for state income and franchise tax purposes, section 1201 of  
108-173 as it relates to claiming a deduction for an amount that a person  
health savings account. The ~~bill~~ <sup>substitute amendment</sup> first applies to taxable years beginning  
after 31, 2004.

will be referred to the Joint Survey Committee on Tax Exemptions for  
analysis, which will be printed as an appendix to this bill.

For further information see the *state* fiscal estimate, which will be printed as  
an appendix to this bill.

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

INS 4-1

SECTION 1. Subchapter XVI of chapter 71 [precedes 71.98] of the statutes is

created to read:

**BILL**

**CHAPTER 71**

**SUBCHAPTER XVI**

**INTERNAL REVENUE CODE UPDATE**

**71.98 Internal Revenue Code update.** The following federal laws, to the extent that they apply to the Internal Revenue Code, apply to this chapter:

(1) **HEALTH SAVINGS ACCOUNTS.** For taxable years beginning after December 31, 2004, section 1201 of P.L. 108-173, relating to health savings accounts.

(END)



FNS 1-4

CR; 71.83(1)(c) ✓  
Section # 71.83(1)(c) of the statutes is amended to read:

Ⓡ  
CC) Health

71.83 (1)(c) ~~Health~~ savings account ~~withdrawal~~ Any person who is liable for a penalty for federal income tax purposes under section ~~223~~ (f) (4) of the Internal Revenue Code is liable for a penalty equal to ~~33%~~ <sup>22 percent</sup> of that penalty. The department of revenue shall assess, levy and collect the penalty under this paragraph as it assesses, levies and collects taxes under this chapter.

1987 a. 312; 1989 a. 31, 90; 1991 a. 39, 190, 269, 315; 1993 a. 16, 112, 213; 1995 a. 428, 453; 1997 a. 27, 237, 283, 323; 1999 a. 32; 2001 a. 109. 1987 a. 312; 1989 a. 31, 90; 1991 a. 39, 190, 269, 315; 1993 a. 16, 112, 213; 1995 a. 428, 453; 1997 a. 27, 237, 283, 323; 1999 a. 32; 2001 a. 109.



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRBs0481/1  
MES&JK:wlj:rs

2  
RMR

SENATE SUBSTITUTE AMENDMENT,  
TO 2003 SENATE BILL (LRB 4577/2)

568

now

Regan

1 AN ACT *to create* 71.83 (1) (ce) and subchapter XVI of chapter 71 [precedes 71.98]  
2 of the statutes; **relating to:** adopting federal law as it relates to health savings  
3 accounts for state income and franchise tax purposes and providing a penalty.

*Analysis by the Legislative Reference Bureau*

This substitute amendment adopts, for state income and franchise tax purposes, section 1201 of Public Law 108-173 as it relates to claiming a deduction for an amount that a person pays into a health savings account. The substitute amendment first applies to taxable years beginning after December 31, 2004.

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

4 SECTION 1. 71.83 (1) (ce) of the statutes is created to read:  
5 71.83 (1) (ce) *Health savings accounts.* Any person who is liable for a penalty  
6 for federal income tax purposes under section 223 (f) (4) of the Internal Revenue Code  
7 is liable for a penalty equal to 33 percent of that penalty. The department of revenue

