

**ASSEMBLY BILL 209 (LRB -1418)**

An Act to amend 71.05 (6) (b) 32. (intro.) and 71.05 (6) (b) 33. (intro.) of the statutes; relating to: allowing an individual income tax deduction for certain amounts contributed by a great-grandparent, aunt, or uncle to a college savings account or a college tuition and expenses program. (FE)

**2003**

03-26.	A.	Introduced by Representatives <b>Kreibich, Jeskewitz, Miller, Hahn, Gronemus, Van Roy, Krawczyk, M. Lehman, Hines, LeMahieu, Musser, Seratti, Owens, Grothman, Ainsworth, Freese, Gunderson, Bies, Ott, Shilling, Towns, Cullen, McCormick, Vrakas, J. Fitzgerald, Coggs, Olsen, Suder, Lassa and Pettis</b> ; cosponsored by Senators <b>Darling, Schultz, Stepp, Harsdorf, Kedzie, Roessler, Wirch and Breske.</b>	
03-25.	A.	Read first time and referred to committee on Colleges and Universities .....	143
03-25.	A.	Read first time and referred to joint survey committee on Tax Exemptions .....	143
03-26.	A.	Fiscal estimate received.	
04-08.	A.	Public hearing held.	
04-08.	A.	Executive action taken.	
04-14.	A.	Fiscal estimate received.	
04-18.	A.	Report passage recommended by committee on Colleges and Universities, Ayes 12, Noes 0 .....	162
05-27.	A.	Executive action taken.	
06-03.	A.	Report of joint survey committee on Tax Exemptions received, Ayes 9, Noes 0 .....	232
06-03.	A.	Referred to committee on Rules .....	232
10-21.	A.	Rules suspended to withdraw from committee on Rules and refer to joint committee on Finance .....	440
11-10.	A.	Executive action taken.	
11-17.	A.	Report passage recommended by joint committee on Finance, Ayes 13, Noes 1 .....	546
11-17.	A.	Referred to committee on Rules .....	546

**2004**

01-15.	A.	Placed on calendar 1-20-2004 by committee on Rules.	
01-20.	A.	Read a second time .....	616
01-20.	A.	Ordered to a third reading .....	616
01-20.	A.	Rules suspended .....	617
01-20.	A.	Read a third time and <b>passed</b> .....	617
01-20.	A.	Ordered immediately messaged .....	617
01-21.	S.	Received from Assembly .....	563
01-21.	S.	Read first time and referred to committee on Higher Education and Tourism .....	564
02-04.	S.	Public hearing held.	
02-27.	S.	Report concurrence recommended by committee on Higher Education and Tourism, Ayes 4, Noes 1 .....	645
02-27.	S.	Available for scheduling.	
03-10.	S.	Placed on calendar 3-11-2004 by committee on Senate Organization.	
03-11.	S.	Placed on calendar 3-11-2004 by committee on Senate Organization.	
03-11.	S.	Read a second time.	
03-11.	S.	Ordered to a third reading.	
03-11.	S.	Rules suspended.	
03-11.	S.	Read a third time and <b>concurred in</b> , Ayes 30, Noes 1.	
03-11.	S.	Ordered immediately messaged.	
03-15.	A.	Received from Senate concurred in.	

**2003  
ENROLLED BILL**

03en A B-209

**ADOPTED DOCUMENTS:**

**Orig**     **Engr**         **SubAmdt**     

03-1418, 2

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic relax

3/15/04    [Signature]  
Date                      Enrolling Drafter

**ELECTRONIC PROCEDURE:**

Follow automatic or manual enrolling procedures in *TEXT2000 Reference Guide*, Document Specific Procedures, Ch. 20, Engrossing and Enrolling

**DISTRIBUTION:**

**HOUSE OF ORIGIN:**

- 11 copies plus bill jacket
- Secretary of State's envelope containing 4 copies plus newspaper notice

**REVISOR OF STATUTES:**

- 5 copies

**DEPARTMENT OF ADMINISTRATION:**

- 2 copies

**LRB:**

- Drafting file ..... original
- Drafting attorney ..... 1 copy
- Legislative editors ..... 1 copy each
- Reference section ..... 1 copy
- Bill index librarian ..... 1 copy

## 2003 ASSEMBLY BILL 209

March 25, 2003 - Introduced by Representatives KREIBICH, JESKEWITZ, MILLER, HAHN, GRONEMUS, VAN ROY, KRAWCZYK, M. LEHMAN, HINES, LEMAHIEU, MUSSER, SERATTI, OWENS, GROTHMAN, AINSWORTH, FREESE, GUNDERSON, BIES, OTT, SHILLING, TOWNS, CULLEN, MCCORMICK, VRAKAS, J. FITZGERALD, COGGS, OLSEN, SUDER, LASSA and PETTIS, cosponsored by Senators DARLING, SCHULTZ, STEPP, HARSDORF, KEDZIE, ROESSLER, WIRCH and BRESKE. Referred to Committee on Colleges and Universities. Referred to Joint Committee on Tax Exemptions.

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

---

### *Analysis by the Legislative Reference Bureau*

Under current law, there is a college tuition and expenses program, commonly referred to as "EdVest I," under which a contributor may purchase "tuition units" that can be used to pay qualified educational costs on behalf of a beneficiary. The purchase of such units is limited to parents, grandparents, aunts, uncles, legal guardians, trusts created on behalf of a beneficiary, or individuals purchasing units for their own use. Contributions made to an account set up under the program, up to a limit of \$3,000 each year for each beneficiary, may be deducted from a contributor's income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant's child and the claimant's dependent under the Internal Revenue Code; or the claimant's grandchild.

Under this bill, an income tax deduction for amounts contributed to such an account may be claimed by a great-grandparent, aunt, or uncle of the beneficiary, subject to the same limits and conditions that exist under current law.

Also under current law, there exists a college savings program, commonly referred to as "EdVest II," under which anyone may open an account for a prospective student, regardless of the contributor's relationship to the beneficiary. Individuals

**ASSEMBLY BILL 209**

may open accounts for themselves, and a prospective student may be the beneficiary of more than one college savings account. Contributions made to an account set up under the program, up to a limit of \$3,000 each year for each beneficiary, may be deducted from a contributor's income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant's child and the claimant's dependent under the Internal Revenue Code; or the claimant's grandchild.

Under this bill, an income tax deduction for amounts contributed to such an account may be claimed by a great-grandparent, aunt, or uncle of the beneficiary, subject to the same limits and conditions that exist under current law.

Currently, the total amount for which a deduction may be claimed under the college tuition and expenses program and the college savings program, per beneficiary, by any claimant, may not exceed \$3,000 each year and, in the case of a married couple filing a joint return, the total annual deduction under these two programs, per beneficiary, claimed by the married couple may not exceed \$3,000. This provision of current law is not changed by the bill.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed 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:***

1           **SECTION 1.** 71.05 (6) (b) 32. (intro.) of the statutes is amended to read:

2           71.05 (6) (b) 32. (intro.) An amount paid into a college savings account, as  
3 described in s. 14.64, if the beneficiary of the account ~~either~~ is one of the following:  
4 the claimant; ~~is~~ the claimant's child and the claimant's dependent who is claimed  
5 under section 151 (c) of the Internal Revenue Code; ~~or is~~ the claimant's grandchild;  
6 the claimant's great-grandchild; or the claimant's niece or nephew; calculated as  
7 follows:

8           **SECTION 2.** 71.05 (6) (b) 33. (intro.) of the statutes is amended to read:

9           71.05 (6) (b) 33. (intro.) An amount paid into a college tuition and expenses  
10 program, as described in s. 14.63, if the beneficiary of the account ~~either~~ is one of the  
11 following: the claimant; ~~is~~ the claimant's child and the claimant's dependent who is

**ASSEMBLY BILL 209**

1 claimed under section 151 (c) of the Internal Revenue Code; ~~or is~~ the claimant's  
2 grandchild; the claimant's great-grandchild; or the claimant's niece or nephew;  
3 calculated as follows:

4 **SECTION 3. Initial applicability.**

5 (1) This act first applies to taxable years beginning on January 1 of the year  
6 in which this subsection takes effect, except that if this subsection takes effect after  
7 July 31, this act first applies to taxable years beginning on January 1 of the year  
8 following the year in which this subsection takes effect.

9

(END)