

2005 DRAFTING REQUEST

Bill

Received: **12/16/2004**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Dean Kaufert (608) 266-5719**

By/Representing: **Matt**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - income credit**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Kaufert@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Nonrefundable individual income tax credit; health savings account contributions

Instructions:

See Attached. Redraft 2003 AB 997 (LRB -4580/2)

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 12/16/2004	kfollett 12/16/2004		_____			State
/1			chaugen 12/16/2004	_____	lemery 12/16/2004	lnorthro 12/21/2004	

FE Sent For:

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MES

Memo

To: LRB – Drafting
From: Matt, Rep. Kaufert's Office
266-5719
Pages: 5

Please redraft 2003 AB997 and AB939 under Rep. Kaufert's name as soon as possible.

Thank you for your help.

-1262/1

WJ
PMMR

2005 2003 ASSEMBLY BILL 997

WANTED TODAY-NOON

May 18, 2004 - Introduced by COMMITTEE ON ASSEMBLY ORGANIZATION. Referred to Joint Committee on Finance.

egen

1 AN ACT to create 71.07 (6e) and 71.10 (4) (ce) of the statutes; relating to:
2 creating a nonrefundable individual income tax credit for certain amounts
3 relating to health savings accounts that may be deducted from, or are exempt
4 from, federal income taxes.

Analysis by the Legislative Reference Bureau

Under current federal law, certain individuals may make tax-deductible contributions to health savings accounts and withdraw the money tax-free when needed to cover routine and preventive medical care.

Under this bill, an individual who makes contributions to such an account may claim a nonrefundable income tax credit for 6.5 percent of the allowable amount that the individual claims as a federal tax deduction for a contribution to a health savings account (HSA) or 6.5 percent of the federal tax-exempt earnings relating to an HSA, or both.

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:

5 SECTION 1. 71.07 (6e) of the statutes is created to read:

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① 71.07 (6e) HEALTH SAVINGS ACCOUNTS TAX CREDIT. (a) *Definitions*. In this
2 subsection:

3 1. "Claimant" means an individual who claims a deduction for a contribution
4 to, or who claims federal tax-exempt earnings relating to, a health savings account
5 under section 1201 of P.L. 108-173.

6 2. "Deduction amount" means the allowable amount of a deduction claimed on
7 a claimant's federal income tax return for a contribution to a health savings account
8 under section 1201 of P.L. 108-173, or federal tax-exempt earnings relating to a
9 health savings account under section 1201 of P.L. 108-173, or both.

10 (b) *Filing claims*. Subject to the limitations provided in this subsection, a
11 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
12 amount of those taxes, 6.5 percent of the deduction amount claimed in the taxable
13 year to which the claim under this subsection relates.

14 (c) *Limitations*. 1. No credit may be allowed under this subsection unless it
15 is claimed within the time period under s. 71.75 (2).

16 2. For a claimant who is a nonresident or part-year resident of this state and
17 who is a single person or a married person filing a separate return, multiply the
18 credit for which the claimant is eligible under par. (b) by a fraction the numerator of
19 which is the individual's Wisconsin adjusted gross income and the denominator of
20 which is the individual's federal adjusted gross income. If a claimant is married and
21 files a joint return, and if the claimant or the claimant's spouse, or both, are
22 nonresidents or part-year residents of this state, multiply the credit for which the
23 claimant is eligible under par. (b) by a fraction the numerator of which is the couple's
24 joint Wisconsin adjusted gross income and the denominator of which is the couple's
25 joint federal adjusted gross income.

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1 (d) *Administration*. Subsection (9e) (d), to the extent that it applies to the credit
2 under that subsection, applies to the credit under this subsection.

3 SECTION 2. 71.10 (4) (cē) of the statutes is created to read:

4 71.10 (4) (ce) The health savings account tax credit under s. 71.07 (6e).

5 SECTION 3. Initial applicability.

6 (1) This act first applies to taxable years beginning on January 1, 2003.

7 (END)

of the year in which this subsection
takes effect, except that if this subsection
takes effect after July 31 this act first
applies to taxable years beginning on
January 1 of the ~~the~~ year following
the year in which this subsection
takes effect

Northrop, Lori

From: Kussow, Matt
Sent: Tuesday, December 21, 2004 9:34 AM
To: LRB.Legal
Subject: Draft review: LRB 05-1262/1 Topic: Nonrefundable individual income tax credit; health savings account contributions

It has been requested by <Kussow, Matt> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-1262/1 Topic: Nonrefundable individual income tax credit; health savings account contributions