

SECTION 143

1 **SECTION 143.** 71.27 (2) of the statutes is renumbered 71.27 (2) (intro.) and
2 amended to read:

3 71.27 (2) (intro.) The corporation franchise tax imposed under s. 71.23 (2) and
4 measured by Wisconsin net income shall be computed at the rate of 7.9%. following
5 rates:

6 **SECTION 144.** 71.27 (2) (a) to (h) of the statutes are created to read:

7 71.27 (2) (a) For taxable years beginning before January 1, 2009, 7.9 percent.

8 (b) For taxable years beginning after December 31, 2008, and before January
9 1, 2010, 5.53 percent.

10 (c) For taxable years beginning after December 31, 2009, and before January
11 1, 2011, 4.74 percent.

12 (d) For taxable years beginning after December 31, 2010, and before January
13 1, 2012, 3.95 percent.

14 (e) For taxable years beginning after December 31, 2011, and before January
15 1, 2013, 3.16 percent.

16 (f) For taxable years beginning after December 31, 2012, and before January
17 1, 2014, 2.37 percent.

18 (g) For taxable years beginning after December 31, 2013, and before January
19 1, 2015, 1.58 percent.

20 (h) For taxable years beginning after December 31, 2014, and before January
21 1, 2016, 0.79 percent.

22 **SECTION 145.** 71.35 of the statutes is amended to read:

23 **71.35 Imposition of additional tax on tax-option corporations.** In
24 addition to the other taxes imposed under this chapter, there is imposed on every
25 tax-option corporation, except a corporation that qualifies for the exception under

1 section 1374 (c) (1) of the internal revenue code and that has not elected to change
2 from tax-option status under s. 71.365 (4) (a) for that taxable year, that has a net
3 recognized built-in gain, as defined in section 1374 (d) (2) of the internal revenue
4 code, during a recognition period, as defined in section 1374 (d) (7) of the internal
5 revenue code as modified by this section, a tax computed under section 1374 of the
6 internal revenue code except that the rate is ~~that~~ the applicable rate under s. 71.27
7 (2), the net recognized built-in gain is computed using the Wisconsin basis of the
8 assets and the Wisconsin apportionment percentage for the current taxable year, the
9 taxable income is the Wisconsin taxable income and the credit and net operating
10 losses are those under this chapter rather than the federal credits and net operating
11 losses. The tax under this section does not apply if the return is filed pursuant to a
12 federal S corporation election made before January 1, 1987, and the corporation has
13 not elected to change its status under s. 71.365 (4) (a) for any intervening year. If a
14 corporation that elected to change from tax-option status under s. 71.365 (4) (a)
15 subsequently elects to become a tax-option corporation, its recognition period begins
16 with the first day of the first taxable year affected by the subsequent election.

17 **SECTION 146.** 71.405 of the statutes is created to read:

18 **71.405 Sunset.** The taxes imposed under this subchapter do not apply for
19 taxable years beginning after December 31, 2015.

20 **SECTION 147.** 71.43 (3) of the statutes is created to read:

21 **71.43 (3) SUNSET.** The taxes imposed under this subchapter do not apply for
22 taxable years beginning after December 31, 2015.

23 **SECTION 148.** 71.46 (1) of the statutes is renumbered 71.46 (1) (intro.) and
24 amended to read:

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1 71.46 (1) The taxes to be assessed, levied and collected upon Wisconsin net
2 incomes of corporations shall be computed at the rate of 7.9%. following rates:

3 **SECTION 149.** 71.46 (1) (a) to (h) of the statutes are created to read:

4 71.46 (1) (a) For taxable years beginning before January 1, 2009, 7.9 percent.

5 (b) For taxable years beginning after December 31, 2008, and before January
6 1, 2010, 5.53 percent.

7 (c) For taxable years beginning after December 31, 2009, and before January
8 1, 2011, 4.74 percent.

9 (d) For taxable years beginning after December 31, 2010, and before January
10 1, 2012, 3.95 percent.

11 (e) For taxable years beginning after December 31, 2011, and before January
12 1, 2013, 3.16 percent.

13 (f) For taxable years beginning after December 31, 2012, and before January
14 1, 2014, 2.37 percent.

15 (g) For taxable years beginning after December 31, 2013, and before January
16 1, 2015, 1.58 percent.

17 (h) For taxable years beginning after December 31, 2014, and before January
18 1, 2016, 0.79 percent.

19 **SECTION 150.** 71.46 (2) of the statutes is renumbered 71.46 (2) (intro.) and
20 amended to read:

21 71.46 (2) The corporation franchise tax imposed under s. 71.43 (2) and
22 measured by Wisconsin net income shall be computed at the rate of 7.9%. following
23 rates:

24 **SECTION 151.** 71.46 (2) (a) to (h) of the statutes are created to read:

25 71.46 (2) (a) For taxable years beginning before January 1, 2009, 7.9 percent.

1 (b) For taxable years beginning after December 31, 2008, and before January
2 1, 2010, 5.53 percent.

3 (c) For taxable years beginning after December 31, 2009, and before January
4 1, 2011, 4.74 percent.

5 (d) For taxable years beginning after December 31, 2010, and before January
6 1, 2012, 3.95 percent.

7 (e) For taxable years beginning after December 31, 2011, and before January
8 1, 2013, 3.16 percent.

9 (f) For taxable years beginning after December 31, 2012, and before January
10 1, 2014, 2.37 percent.

11 (g) For taxable years beginning after December 31, 2013, and before January
12 1, 2015, 1.58 percent.

13 (h) For taxable years beginning after December 31, 2014, and before January
14 1, 2016, 0.79 percent.

15 **SECTION 152.** 71.46 (3) of the statutes is amended to read:

16 71.46 (3) The tax imposed under this subchapter on each domestic insurer on
17 or measured by its entire net income attributable to lines of insurance in this state
18 may not exceed ~~2%~~ 2 percent of the gross premiums, as defined in s. 76.62, received
19 during the taxable year by the insurer on all policies on those lines of insurance if
20 the subject of that insurance was resident, located or to be performed in this state
21 plus ~~7.9%~~ of the income that is realized from the sale of or purchase and subsequent
22 sale or redemption of lottery prizes, if the winning tickets were originally bought in
23 this state, multiplied by the applicable rate under sub. 71.27 (1).

24 **SECTION 153.** 71.80 (1) (a) of the statutes is amended to read:

1 71.80 (1) (a) The department shall assess incomes as provided in this chapter
2 and in performance of such duty the department shall possess all powers now or
3 hereafter granted by law to the department in the assessment of personal property
4 and also the power to may estimate incomes.

5 **SECTION 154.** 71.83 (1) (ce) of the statutes is created to read:

6 71.83 (1) (ce) *Health savings accounts.* Any person who is liable for a penalty
7 for federal income tax purposes under section 223 (f) (4) of the Internal Revenue Code
8 is liable for a penalty equal to 33 percent of that penalty. The department of revenue
9 shall assess, levy, and collect the penalty under this paragraph as it assesses, levies,
10 and collects taxes under this chapter.

11 ~~SECTION 155. 71.91 (5m) (a) of the statutes is renumbered 71.91 (5m).~~

12 ~~SECTION 156. 71.91 (5m) (b) of the statutes is repealed.~~

13 **SECTION 157.** Subchapter XVI of chapter 71 [precedes 71.98] of the statutes is
14 created to read:

15 **CHAPTER 71**

16 **SUBCHAPTER XVI**

17 **INTERNAL REVENUE CODE UPDATE**

18 **71.98 Internal Revenue Code update.** The following federal laws, to the
19 extent that they apply to the Internal Revenue Code, apply to this chapter:

20 (1) HEALTH SAVINGS ACCOUNTS. Section 1201 of P.L. 108-173, relating to health
21 savings accounts.

22 **SECTION 158.** 73.03 (20) of the statutes is amended to read:

23 73.03 (20) To investigate all delinquent personal property, death and estate,
24 income, or franchise taxes and surtaxes in the state, and the possibility of the
25 collection of them, and to require taxing officials, including town treasurers, county

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1 treasurers, sheriffs, and district attorneys, to institute proceedings, actions, and
2 prosecutions for the collection of delinquent taxes so that the amount of delinquent
3 taxes shall be reduced to the minimum. In carrying out this subsection the
4 department of revenue may examine or cause to be examined by any agent,
5 employee, or representative designated by it for that purpose, any books, papers,
6 records, or memoranda of any corporation, limited liability company, partnership, or
7 individual bearing upon the collection of any delinquent taxes and may require the
8 attendance of the officials of any corporation or limited liability company or of any
9 other person having knowledge in the premises and may take testimony and require
10 proof material for their information upon any matter that they deem of value for the
11 purpose of enforcing the payment of delinquent taxes. The department of revenue
12 may also perform other duties and adopt other procedures that may be necessary to
13 carry out this subsection and direct that proceedings, actions, and prosecutions be
14 instituted to enforce the laws relating to the collection of delinquent taxes of every
15 kind. To this end, the department of justice shall, upon the request of the department
16 of revenue, conduct such actions, proceedings, or prosecutions or assist the local
17 town, city, village, or county officials in them or assist the district attorneys.

18 **SECTION 159.** 73.06 (3) of the statutes is amended to read:

19 73.06 (3) The department of revenue, through its supervisors of equalization,
20 shall examine and test the work of assessors during the progress of their assessments
21 and ascertain whether any of them is assessing property at other than full value or
22 is omitting property subject to taxation from the roll. The department and such
23 supervisors shall have the rights and powers of a local assessor for the examination
24 of persons and property and for the discovery of property subject to taxation. If any
25 property has been omitted or not assessed according to law, they shall bring the same

1 to the attention of the local assessor of the proper district and if such local assessor
2 shall neglect or refuse to correct the assessment they shall report the fact to the board
3 of review. ~~If it discovers errors in identifying or valuing property that is exempt~~
4 ~~under s. 70.11 (39) or (39m), the department shall change the specification of the~~
5 ~~property as taxable or exempt and shall change the value of the property. All~~
6 ~~disputes between the department, municipalities and property owners about the~~
7 ~~taxability or value of property that is reported under s. 79.095 (2) (a) or of the~~
8 ~~property under s. 70.995 (12r) shall be resolved by using the procedures under s.~~
9 ~~70.995 (8).~~

10 **SECTION 160.** 74.05 (1) of the statutes is amended to read:

11 74.05 (1) DEFINITION. In this section, “error in the tax roll” means an error in
12 the description of any real ~~or personal~~ property, in the identification of the owner or
13 person to whom the property is assessed or in the amount of the tax or an error
14 resulting from a palpably erroneous entry in the assessment roll.

15 **SECTION 161.** 74.09 (2) of the statutes is amended to read:

16 74.09 (2) PREPARATION. The clerk of the taxation district shall prepare the real
17 ~~and personal~~ property tax bills. The form of the property tax bill shall be prescribed
18 by the department of revenue and shall be uniform.

19 **SECTION 162.** 74.11 (4) of the statutes is repealed.

20 **SECTION 163.** 74.11 (6) (a) of the statutes is amended to read:

21 74.11 (6) (a) Payments made on or before January 31 ~~and payments of taxes~~
22 ~~on improvements on leased land that are assessed as personal property shall be~~
23 made to the taxation district treasurer.

24 **SECTION 164.** 74.11 (10) (a) of the statutes is amended to read:

1 74.11 (10) (a) If all special assessments, special charges, and special taxes ~~and~~
2 ~~personal property taxes~~ due under sub. (3) ~~or~~ (4) are not paid in full on or before the
3 due date, the amounts unpaid are delinquent as of the day after the due date of the
4 first installment or of the lump-sum payment.

5 **SECTION 165.** 74.11 (11) (a) of the statutes is renumbered 74.11 (11).

6 **SECTION 166.** 74.11 (11) (b) of the statutes is repealed.

7 **SECTION 167.** 74.11 (12) (a) (intro.) of the statutes is amended to read:

8 74.11 (12) (a) (intro.) Except as provided in ~~pars.~~ par. (c) ~~and~~ (d), if a taxation
9 district treasurer or county treasurer receives a payment from a taxpayer which is
10 not sufficient to pay all amounts due, the treasurer shall apply the payment to the
11 amounts due, including interest and penalties, in the following order:

12 **SECTION 168.** 74.11 (12) (a) ~~1g.~~ of the statutes is repealed.

13 **SECTION 169.** 74.11 (12) (b) of the statutes is amended to read:

14 74.11 (12) (b) The allocation under par. (a) ~~1g.~~ 1m. to 4. is conclusive for
15 purposes of settlement under ss. 74.23 to 74.29 and for determining delinquencies
16 under this section.

17 **SECTION 170.** 74.11 (12) (d) of the statutes is repealed.

18 **SECTION 171.** 74.12 (6) of the statutes is repealed.

19 **SECTION 172.** 74.12 (7) of the statutes is amended to read:

20 74.12 (7) **DELINQUENT FIRST INSTALLMENT.** If the first installment of real
21 property taxes, ~~personal property taxes on improvements on leased land~~ or special
22 assessments to which an installment option pertains is not paid on or before January
23 31, the entire amount of the remaining unpaid taxes or special assessments to which
24 an installment option pertains on that parcel is delinquent as of February 1.

25 **SECTION 173.** 74.12 (8) of the statutes is amended to read:

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1 74.12 (8) DELINQUENT 2ND OR SUBSEQUENT INSTALLMENT. If the 2nd or any
2 subsequent installment payment of real property taxes, ~~personal property taxes on~~
3 ~~improvements on leased land~~ or special assessments to which an installment option
4 pertains is not paid by the due date specified in the ordinance, the entire amount of
5 the remaining unpaid taxes or special assessments to which an installment option
6 pertains on that parcel is delinquent as of the first day of the month after the
7 payment is due and interest and penalties are due under sub. (10).

8 **SECTION 174.** 74.12 (9) (a) of the statutes is amended to read:

9 74.12 (9) (a) If all special assessments to which an installment option does not
10 pertain, special charges, and special taxes ~~and personal property taxes~~ that are due
11 under sub. (5) ~~or (6)~~ are not paid in full on or before January 31, the amounts unpaid
12 are delinquent as of February 1.

13 **SECTION 175.** 74.12 (10) (a) of the statutes is amended to read:

14 74.12 (10) (a) All real property taxes, special assessments, special charges and
15 special taxes that become delinquent and are paid on or before July 31, ~~and all~~
16 ~~delinquent personal property taxes, whenever paid,~~ shall be paid, together with
17 interest and penalties charged from the preceding February 1, to the taxation district
18 treasurer.

19 **SECTION 176.** 74.12 (11) (a) (intro.) of the statutes is amended to read:

20 74.12 (11) (a) (intro.) Except as provided in ~~pars. par. (c) and (d)~~, if a taxation
21 district treasurer or county treasurer receives a payment from a taxpayer which is
22 not sufficient to pay all amounts due, the treasurer shall apply the payment to the
23 amounts due, including interest and penalties, in the following order:

24 **SECTION 177.** 74.12 (11) (a) 1g. of the statutes is repealed.

25 **SECTION 178.** 74.12 (11) (b) of the statutes is amended to read:

1 74.12 (11) (b) The allocation under par. (a) ~~1g. 1m.~~ to 4. is conclusive for
2 purposes of settlement under ss. 74.29 and 74.30 and for determining delinquencies
3 under this section.

4 **SECTION 179.** 74.12 (11) (d) of the statutes is repealed.

5 **SECTION 180.** 74.13 (1) (b) of the statutes is amended to read:

6 74.13 (1) (b) ~~Except as provided in sub. (3), general~~ General property taxes,
7 special assessments, special charges and special taxes may be paid in advance of the
8 levy during the period from August 1 until the 3rd Monday in December.

9 **SECTION 181.** 74.13 (3) of the statutes is repealed.

10 **SECTION 182.** 74.25 (1) (b) (intro.) and 2. of the statutes are consolidated,
11 renumbered 74.25 (1) (b) and amended to read:

12 74.25 (1) (b) *General property taxes.* After making the distribution under par.
13 (a), the taxation district treasurer shall ~~do all of the following:~~ 2. Pay pay to each
14 taxing jurisdiction within the district its proportionate share of real property taxes,
15 except that the treasurer shall pay the state's proportionate share to the county. As
16 part of that distribution, the taxation district treasurer shall retain for the taxation
17 district and for each tax incremental district within the taxation district its
18 proportionate share of real property taxes.

19 **SECTION 183.** 74.25 (1) (b) 1. of the statutes is repealed.

20 **SECTION 184.** 74.27 of the statutes is amended to read:

21 **74.27 March settlement between counties and the state.** On or before
22 March 15, the county treasurer shall send to the secretary of administration the
23 state's proportionate ~~shares~~ share of taxes under ss. 74.23 (1) (b) and 74.25 (1) (b) 1.
24 and 2.

25 **SECTION 185.** 74.30 (1) (i) of the statutes is repealed.

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1 **SECTION 186.** 74.30 (1m) of the statutes is amended to read:

2 **74.30 (1m) MARCH SETTLEMENT BETWEEN COUNTIES AND THE STATE.** On or before
3 March 15, the county treasurer shall send to the secretary of administration the
4 state's proportionate shares share of taxes under sub. (1) (i) and (j).

5 **SECTION 187.** 74.42 of the statutes is repealed.

6 **SECTION 188.** 74.47 (3) (e) of the statutes is repealed.

7 **SECTION 189.** 74.55 of the statutes is repealed.

8 **SECTION 190.** 74.83 of the statutes is amended to read:

9 **74.83 Agreements.** Any 1st class city may enter into agreements to pay
10 delinquent state, county, metropolitan sewerage district and technical college
11 district real ~~or personal~~ property taxes, including accrued interest and penalties
12 thereon, applicable to property located in that city at any stage in the proceedings
13 for collection and enforcement of those taxes and thereafter collect and enforce those
14 taxes, including interest and penalties on them, in its own name in accordance with
15 any of the procedures or remedies applicable to the collection and enforcement of
16 delinquent city, state, county, metropolitan sewerage district and technical college
17 district taxes under this chapter and ch. 75.

18 **SECTION 191.** 74.87 (3) (a) of the statutes is renumbered 74.87 (3) and amended
19 to read:

20 **74.87 (3)** The common council of a city may, by ordinance, permit payment in
21 10 equal installments, without interest, of general property taxes, special charges
22 and special assessments of the city, other than for special assessments for which no
23 payment extension is allowed. Each installment shall be paid on or before the last
24 day of each month from January through October. ~~Taxes on personal property may~~
25 ~~be paid in installments under this subsection if, on or before January 31 of the year~~

1 ~~in which the tax becomes due, the taxpayer has first paid to the city treasurer taxes~~
2 ~~on personal property levied by all taxing jurisdictions other than the city. The~~
3 ~~amounts and time of payment of city general property taxes, special assessments and~~
4 ~~charges in the city tax roll shall be as provided in the charter of the city.~~

5 **SECTION 192.** 76.025 (1) of the statutes is amended to read:

6 76.025 (1) The property taxable under s. 76.13 shall include all franchises, and
7 all real and personal property of the company used or employed in the operation of
8 its business, excluding property that is exempt from the property tax under s. 70.11
9 (39) and (39m), such motor vehicles as are exempt under s. 70.112 (5) and treatment
10 plant and pollution abatement equipment exempt under s. 70.11 (21) (a). The
11 taxable property shall include all title and interest of the company referred to in such
12 property as owner, lessee or otherwise, and in case any portion of the property is
13 jointly used by 2 or more companies, the unit assessment shall include and cover a
14 proportionate share of that portion of the property jointly used so that the
15 assessments of the property of all companies having any rights, title or interest of
16 any kind or nature whatsoever in any such property jointly used shall, in the
17 aggregate, include only one total full value of such property.

18 **SECTION 193.** 76.03 (1) of the statutes is amended to read:

19 76.03 (1) The property, both real and personal, including all rights, franchises,
20 and privileges used in and necessary to the prosecution of the business of any
21 company enumerated in s. 76.02 shall be deemed personal property for the purposes
22 of taxation, and shall be valued and assessed together as a unit.

23 **SECTION 194.** 76.07 (4g) (c) 1. of the statutes is amended to read:

24 76.07 (4g) (c) 1. Determine the gross cost of gas plant in service in this state,
25 except motor vehicles exempt from the property tax under s. 70.112 (5), and of all

1 other property owned or rented by the company and used in the operation of the
2 company's business in this state and included in the base for purposes of rate
3 regulation by the federal energy regulatory commission.

4 **SECTION 195.** 76.07 (4g) (c) 2. of the statutes is amended to read:

5 76.07 (4g) (c) 2. Determine the gross cost of gas plant in service everywhere,
6 except motor vehicles specified under s. 70.112 (5), and of all other property owned
7 or rented by the company and used in the operation of the company's business
8 everywhere and included in the base for purposes of rate regulation by the federal
9 energy regulatory commission.

10 **SECTION 196.** 76.125 (1) of the statutes is amended to read:

11 76.125 (1) Using the statement of assessments under s. 70.53 and the
12 statement of taxes under s. 69.61, the department shall determine the net rate of
13 taxation of commercial property under s. 70.32 (2) (a) 2., and of manufacturing
14 property under s. 70.32 (2) (a) 3. ~~and of personal property under s. 70.30~~ as provided
15 in subs. (2) to (6). The department shall enter that rate on the records of the
16 department.

17 **SECTION 197.** 76.48 (1r) of the statutes is amended to read:

18 76.48 (1r) Except as provided in s. 76.29, every electric cooperative shall pay,
19 in lieu of other general property and income or franchise taxes, an annual license fee
20 equal to its apportionment factor multiplied by its gross revenues; excluding for the
21 tax period, as defined in s. 76.29 (1) (f), gross revenues that are subject to the license
22 fee under s. 76.29; multiplied by ~~3.19%~~ 3.19 percent. Real estate ~~and personal~~
23 property not used primarily for the purpose of generating, transmitting or
24 distributing electric energy ~~are~~ is subject to general property taxes. If a general
25 structure is used in part to generate, transmit or distribute electric energy and in

1 part for nonoperating purposes, the license fee imposed by this section is in place of
2 the percentage of all other general real property taxes that fairly measures and
3 represents the extent of the use in generating, transmitting or distributing electric
4 energy, and the balance is subject to local assessment and taxation, except that the
5 entire general structure is subject to special assessments for local improvements.

6 **SECTION 198.** 76.69 of the statutes is repealed.

7 **SECTION 199.** 76.81 of the statutes is amended to read:

8 **76.81 Imposition.** There is imposed a tax on the real property of, and the
9 tangible personal property of, every telephone company, excluding ~~property that is~~
10 ~~exempt from the property tax under s. 70.11 (39) and (39m), motor vehicles that are~~
11 ~~exempt under s. 70.112 (5),~~ property that is used less than 50% 50 percent in the
12 operation of a telephone company, as provided under s. 70.112 (4) (b), and treatment
13 plant and pollution abatement equipment that is exempt under s. 70.11 (21) (a).
14 Except as provided in s. 76.815, the rate for the tax imposed on each description of
15 real property and on each item of tangible personal property is the net rate for the
16 prior year for the tax under ch. 70 in the taxing jurisdictions where the description
17 or item is located. The real and tangible personal property of a telephone company
18 shall be assessed as provided under s. 70.112 (4) (b).

19 **SECTION 200.** 77.04 (1) of the statutes is amended to read:

20 **77.04 (1) TAX ROLL.** The clerk on making up the tax roll shall enter as to each
21 forest cropland description in a special column or some other appropriate place in
22 such tax roll headed by the words “Forest Croplands” or the initials “F.C.L.”, which
23 shall be a sufficient designation that such description is subject to this subchapter.
24 Such land shall thereafter be assessed and be subject to review under ch. 70, and
25 such assessment may be used by the department of revenue in the determination of

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1 the tax upon withdrawal of such lands as forest croplands as provided in s. 77.10 for
2 entries prior to 1972. The tax upon withdrawal of descriptions entered as forest
3 croplands after December 31, 1971, may be determined by the department of revenue
4 by multiplying the last assessed value of the land prior to the time of the entry by an
5 annual ratio computed for the state under sub. (2) to establish the annual assessed
6 value of the description. No tax shall be levied on forest croplands except the specific
7 annual taxes as provided, except that any building located on forest cropland shall
8 be assessed as ~~personal property, subject to all laws and regulations for the~~
9 ~~assessment and taxation of general property under ch. 70.~~

10 **SECTION 201.** 77.54 (3) (b) 1. of the statutes is amended to read:

11 77.54 (3) (b) 1. “Building” ~~has the meaning given under s. 70.111 (10) (a) 1~~
12 means any structure that is intended to be a permanent accession to real property;
13 that is designed or used for sheltering people, animals, or plants, for storing property,
14 or for working, office, parking, sales, or display space, regardless of any contribution
15 that the structure makes to the production process in it; that in physical appearance
16 is annexed to that real property; that is covered by a roof or encloses space; that is
17 not readily moved or disassembled; and that is commonly known to be a building
18 because of its appearance and because of the materials of which it is constructed.

19 **SECTION 202.** 77.84 (1) of the statutes is amended to read:

20 77.84 (1) TAX ROLL. The municipal clerk shall enter in a special column or other
21 appropriate place on the tax roll the description of each parcel of land designated as
22 managed forest land, and shall specify, by the designation “MFL-O” or “MFL-C”, the
23 acreage of each parcel that is designated open or closed under s. 77.83. The land shall
24 be assessed and is subject to review under ch. 70. Except as provided in this

1 subchapter, no tax may be levied on managed forest land, except that any building
2 on managed forest land is subject to taxation as ~~personal property~~ under ch. 70.

3 **SECTION 203.** 79.03 (3) (b) 3. of the statutes is amended to read:

4 79.03 (3) (b) 3. “Full valuation” means the full value of ~~property that is exempt~~
5 ~~under s. 70.11 (39) and (39m) as determined under s. 79.095 (3) plus the full value~~
6 of all taxable property for the preceding year as equalized for state tax purposes,
7 except that for municipalities the value of real estate assessed under s. 70.995 is
8 excluded. Value increments under s. 66.1105 ~~plus the full value of property that is~~
9 ~~exempt under s. 70.11 (39) and (39m) that would otherwise be part of a value~~
10 ~~increment~~ are included for municipalities but excluded for counties. Environmental
11 remediation value increments under s. 66.1106 are included for municipalities and
12 counties that create the environmental remediation tax incremental district and are
13 excluded for units of government that do not create the district. If property that had
14 been assessed under s. 70.995 and that has a value exceeding ~~10%~~ 10 percent of a
15 municipality’s value is assessed under s. 70.10, ~~30%~~ 30 percent of that property’s full
16 value is included in “full valuation” for purposes of the shared revenue payments in
17 the year after the assessment under s. 70.10, ~~65%~~ 65 percent of that property’s full
18 value is included in “full valuation” for purposes of the shared revenue payments in
19 the year 2 years after the assessment under s. 70.10 and ~~100%~~ 100 percent of that
20 property’s full value is included in “full valuation” for purposes of subsequent shared
21 revenue payments.

22 **SECTION 204.** 79.03 (3) (b) 4. (intro.) of the statutes is amended to read:

23 79.03 (3) (b) 4. (intro.) “Local purpose revenues” means the sum of ~~payments~~
24 ~~under s. 79.095~~, local general purpose taxes, regulation revenues, revenues for
25 services to private parties by a county’s or municipality’s general operations or

1 enterprises, revenue for sanitation services to private parties, special assessment
2 revenues, tax base equalization aids and, for municipalities only, a proxy for private
3 sewer service costs, a proxy for private solid waste and recycling service costs and a
4 proxy for retail charges for fire protection purposes. In this subdivision:

5 **SECTION 205.** 79.095 of the statutes, as affected by 2005 Wisconsin Act 25, is
6 repealed.

7 **SECTION 206.** 79.096 of the statutes is created to read:

8 **79.096 State aid; personal property. (1) DEFINITIONS.** In this section:

9 (a) “Department” means the department of administration.

10 (b) “Special purpose district” means a metropolitan sewerage district organized
11 under subch. II of ch. 200, a town sanitary district organized under subch. IX of ch.
12 60, a metropolitan sewerage district created under s. 200.05, or a public inland lake
13 protection and rehabilitation district organized under subch. IV of ch. 33.

14 (c) “Taxing jurisdiction” means a municipality, county, school district, special
15 purpose district, tax incremental district, or technical college district.

16 **(2) REPORTING.** No later than April 1, 2009, each municipality shall report to
17 the department the amount of personal property taxes paid to each taxing
18 jurisdiction for which the municipality assesses property for the assessments as of
19 January 1, 2008.

20 **(3) PAYMENTS.** Annually, beginning in 2009, each taxing jurisdiction shall
21 receive a payment in an amount that is equal to the sum of the amount of personal
22 property taxes that the taxing jurisdiction received for the assessments as of January
23 1, 2008, as reported under sub. (2), plus the amount of any state aid the taxing
24 jurisdiction received under s. 79.095, 2003 stats., in 2008. The department shall
25 make the payments under this section on or before the first Monday in May.

1 SECTION 207. 79.10 (1) (dm) of the statutes is amended to read:

2 79.10 (1) (dm) "Principal dwelling" means any dwelling that is used by the
3 owner of the dwelling as a primary residence on January 1 of the year preceding the
4 allocation of a credit under sub. (9) (bm) and includes improvements that are
5 classified, under ch. 70, as taxable real property or personal property.

6 SECTION 208. 111.70 (1) (dm) of the statutes is amended to read:

7 111.70 (1) (dm) "Economic issue" means salaries, overtime pay, sick leave,
8 payments in lieu of sick leave usage, vacations, clothing allowances in excess of the
9 actual cost of clothing, length-of-service credit, continuing education credit, shift
10 premium pay, longevity pay, extra duty pay, performance bonuses, health insurance
11 coverage of benefits not provided under ch. 260, life insurance, dental insurance,
12 disability insurance, vision insurance, long-term care insurance, worker's
13 compensation and unemployment insurance, social security benefits, vacation pay,
14 holiday pay, lead worker pay, temporary assignment pay, retirement contributions,
15 supplemental retirement benefits, severance or other separation pay, hazardous
16 duty pay, certification or license payment, limitations on layoffs that create a new or
17 increased financial liability on the employer and contracting or subcontracting of
18 work that would otherwise be performed by municipal employees in the collective
19 bargaining unit with which there is a labor dispute.

keep →

20 SECTION 209. 111.91 (2) (n) of the statutes is repealed.

21 SECTION 210. 111.91 (2) (o) of the statutes is repealed.

22 SECTION 211. 111.91 (2) (p) of the statutes is repealed.

23 SECTION 212. 111.91 (2) (pm) of the statutes is created to read:

keep →

24 111.91 (2) (pm) Health care coverage of employees under ch. 260. ✓

25 SECTION 213. 111.91 (2) (q) of the statutes is repealed.

SECTION 214

1 ~~SECTION 214. 111.91 (2) (r) of the statutes is repealed.~~

2 ~~SECTION 215. 121.004 (6) of the statutes is amended to read:~~

3 ~~121.004 (6) NET COST. The "net cost" of a fund means the gross cost of that fund~~
4 ~~minus all nonduplicative revenues and other financing sources of that fund except~~
5 ~~property taxes, and general aid, and aid received under s. 79.095 (4). In this~~
6 ~~subsection, "nonduplicative revenues" includes federal financial assistance under 20~~
7 ~~USC 236 to 245, to the extent permitted under federal law and regulations.~~

8 ~~SECTION 216. 121.06 (4) of the statutes is repealed.~~

9 ~~SECTION 217. 121.15 (4) (a) of the statutes is amended to read:~~

10 ~~121.15 (4) (a) In this subsection, "state aid" has the meaning given in s. 121.90~~
11 ~~(2) except that it excludes aid paid to school districts under s. 79.095 (4) 79.096 (3).~~

12 ~~SECTION 218. 121.90 (2) (intro.) of the statutes is amended to read:~~

13 ~~121.90 (2) (intro.) "State aid" means aid under ss. 121.08, 121.09 and 121.105~~
14 ~~and subch. VI, as calculated for the current school year on October 15 under s. 121.15~~
15 ~~(4), and including adjustments made under s. 121.15 (4), and amounts under s.~~
16 ~~79.095 (4) 79.096 (3) for the current school year, except that "state aid" excludes all~~
17 ~~of the following:~~

18 ~~SECTION 219. 149.12 (2) (g) 7. of the statutes is created to read:~~

19 ~~149.12 (2) (g) 7. Health care coverage under the health insurance purchasing~~
20 ~~arrangement under ch. 260.~~

21 ~~SECTION 220. 174.06 (5) of the statutes is amended to read:~~

22 ~~174.06 (5) RECORDS. The listing official shall enter in the records for personal~~
23 ~~property assessments, or in a separate record, all dogs in the district subject to tax,~~
24 ~~to whom they are assessed, the name, number, sex, spayed or unspayed, neutered or~~

keep

1 unneutered, breed and color of each dog. The listing official shall make in triplicate
2 a list of the owners of all dogs assessed.

3 **SECTION 221.** 174.065 (3) of the statutes is amended to read:

4 174.065 (3) COLLECTION OF DELINQUENT DOG LICENSE TAXES. Delinquent dog
5 license taxes may be collected in the same manner as provided for small claims in s.
6 ~~74.55 and ch. 799 for the collecting of personal property taxes.~~

7 **SECTION 222.** 174.08 (1) of the statutes is amended to read:

8 174.08 (1) Except as provided in sub. (2), every collecting official shall pay all
9 dog license taxes to the town, village or city treasurer or other tax collecting officer
10 who shall deduct any additional tax that may have been levied by the municipal
11 governing body and pay the remainder to the county treasurer at the time settlement
12 is made with the county treasurer for collections of ~~personal~~ property taxes, and shall
13 at the same time report in writing to the county clerk the licenses issued. The report
14 shall be in the form prescribed by the department, and the forms shall be furnished
15 by the county clerks.

16 **SECTION 223.** 198.10 (1) of the statutes is amended to read:

17 198.10 (1) TAXABLE PROPERTY, TAXES. All real property situated in ~~and all~~
18 ~~personal property the situs of which for purposes of general property taxation is in~~
19 the district shall be subject to taxation in and by the district for a direct annual tax
20 sufficient to pay the interest on any indebtedness of the district, and to pay and
21 discharge the principal of the indebtedness within 20 years from the time of
22 contracting the indebtedness.

23 **SECTION 224.** 200.13 (2) of the statutes is amended to read:

24 200.13 (2) TAX LEVY. The commission may levy a tax upon the taxable property
25 in the district as equalized by the department of revenue for state purposes for the

1 purpose of carrying out and performing duties under this subchapter but the amount
 2 of any such tax in excess of that required for maintenance and operation and for
 3 principal and interest on bonds or promissory notes shall not exceed, in any one year,
 4 one mill for each dollar of the district's equalized valuation, as determined under s.
 5 70.57. The tax levy may be spread upon the respective real estate and personal
 6 property tax rolls of the city, village and town areas included in the district taxes, and
 7 shall not be included within any limitation on county or municipality taxes. Such
 8 moneys when collected shall be paid to the treasurer of such district.

9 **SECTION 225.** Chapter 260 of the statutes is created to read:

10 **CHAPTER 260**

11 **HEALTH INSURANCE PURCHASING ACCOUNTS**

12 **260.01 Definitions.** In this chapter:

13 (1) "Board" means the board of directors of the corporation.

14 (2) "Corporation" means the Private Health Insurance Purchasing
 15 Corporation of Wisconsin.

16 (3) "Eligible resident" means an individual who satisfies all of the following
 17 criteria:

18 1. ~~(a)~~ ^(a) The individual has been legally domiciled, as defined by the corporation, in
 19 this state for at least 6 months, except that, if a child is under 6 months of age, the
 20 child is an "eligible resident" if the child lives in this state and at least one of the
 21 child's parents or the child's guardian has been legally domiciled, as defined by the
 22 corporation, in this state for at least 6 months.

23 2. ~~(b)~~ ^(b) The individual maintains a substantial presence in this state, as defined by
 24 the corporation. In defining what constitutes a substantial presence in this state, the
 25 corporation shall consider such factors as the amount of time per year that an

1 individual is actually present in the state and the amount of taxes that an individual
2 pays in this state, except that if the individual attends school outside of this state and
3 is under 23 years of age, the factors shall include the amount of time that the
4 individual's parent or guardian is actually present in the state and the amount of
5 taxes that the individual's parent or guardian pays in this state, and if the individual
6 is in active service with the U.S. armed forces outside of this state, the factors shall
7 include the amount of time that the individual's parent, guardian, or spouse is
8 actually present in the state and the amount of taxes that the individual's parent,
9 guardian, or spouse pays in this state.

10 3. ~~(c)~~ The individual is under 65 years of age.

11 4. ~~(d)~~ The individual is not eligible for health care coverage from the federal
12 government, is not an inmate of a penal facility, as defined in s. 19.32 (1e), and is not
13 placed or confined in, or committed to, an institution for the mentally ill or
14 developmentally disabled.

15 (e) The individual is not an employee who receives health care coverage under
16 a collective bargaining agreement and whose social security wages are excluded by
17 his or her employer from the amount of social security wages subject to assessment
18 under s. 260.50 (3) (c).

19 5. ~~(f)~~ Unless a waiver is requested under s. 260.60 and granted and in effect, the
20 individual is not eligible for medical assistance under subch. IV of ch. 49 or for health
21 care coverage under the Badger Care health care program under s. 49.665.

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22 **260.05 Private Health Insurance Purchasing Corporation of**
23 **Wisconsin.** (1) INCORPORATION. The secretary of administration shall do all of the
24 following:

1 (a) Draft and file articles of incorporation for a nonstock corporation under ch.
2 181 and take all actions necessary to exempt the corporation from federal taxation
3 under section 501 (c) (3) of the Internal Revenue Code. ✓

4 (b) Provide in the articles of incorporation filed under par. (a) all of the
5 following: ✓

6 1. That the name of the corporation is the “Private Health Insurance
7 Purchasing Corporation of Wisconsin.”

8 2. That the board shall consist of 8 directors who, except for the initial directors,
9 shall be designated or appointed as follows:

10 a. One designated by Wisconsin Manufacturers and Commerce.

11 b. One designated by the Wisconsin State American Federation of Labor and
12 Congress of Industrial Organizations.

13 c. One designated by the Metropolitan Milwaukee Association of Commerce.

14 d. One designated by the Wisconsin office of the National Federation of
15 Independent Business.

16 e. One designated by the Wisconsin Farm Bureau Federation.

17 f. One designated by the SEIU Wisconsin State Council.

18 g. Two designated by the governor to represent consumers.

19 3. That the term of a director shall be 4 years, except that the term of an initial
20 director shall be one year.

21 4. The names and addresses of the initial directors.

22 5. That 7 votes shall be necessary for adoption of any decision of the board,
23 except for those designated categories of decisions, if any, that the board agrees to
24 adopt by a simple majority of the votes.

1 (c) In consultation with the persons charged with designating the directors
2 under par. (b) 2. a. to g., designate the initial directors.

3 (d) Draft bylaws for adoption by the board.

4 **(2) DUTIES.** As a condition for the release of funds under s. 20.855 (8m) (r), the
5 corporation shall do all of the following:

6 (a) Establish, fund, and manage health insurance purchasing accounts in the
7 manner provided in this chapter; assist eligible residents in using their accounts to
8 purchase health care coverage; and perform all other functions required of the
9 corporation under this chapter.

10 (b) Establish an independent and binding appeals process for resolving
11 disputes over eligibility and other determinations made by the corporation.

12 (c) Keep its records open at all times to inspection and examination by the
13 governor, the secretary of administration, any committee of either or both houses of
14 the legislature, the legislative fiscal bureau, and the legislative audit bureau.

15 (d) Keep its meetings open to the public to the extent required of governmental
16 bodies under subch. V of ch. 19.

17 (e) Cooperate with the legislative audit bureau in the performance of the audits
18 under sub. (4).

19 (f) Submit on each October 1 an annual report to the legislature under s. 13.172
20 (2) and to the governor regarding its activities and including any recommendations
21 of the health care committee under s. 260.40 (1) (d).

22 **(3) CONTRACTS AND HIRING.** (a) The corporation may contract with other
23 organizations, entities, or individuals for the performance of any of its functions.
24 With respect to contracts under this subsection, the corporation shall do all of the
25 following:

1 1. Use generally accepted procedures, which shall be in writing and open to
2 public inspection, for soliciting bids or proposals and for awarding contracts to the
3 lowest-bidding, qualified person or to the most qualified person submitting a
4 proposal.

5 2. Make open to public inspection all of its requests for bids or proposals, all of
6 its analyses of bids or proposals received, and all of its final decisions on bids or
7 proposals received.

8 (b) The corporation shall use generally accepted hiring practices, which shall
9 be in writing and open to public inspection, for hiring any staff.

10 (4) AUDITS. At least once every 2 years, the legislative audit bureau shall
11 conduct a financial audit of the corporation and a performance evaluation audit of
12 the health insurance purchasing arrangement under this chapter that includes an
13 audit of the corporation's policies and management practices. The legislative audit
14 bureau shall distribute a copy of each audit report under this subsection to the
15 legislature under s. 13.172 (2) and to the governor. The corporation shall reimburse
16 the legislative audit bureau for the cost of the audits and reports required under this
17 subsection.

18 **260.10 Health insurance purchasing accounts.** (1) ESTABLISHMENT AND
19 FUNDING. (a) Beginning in January 2008, the corporation shall establish a private
20 health insurance purchasing account for each eligible resident, except for an eligible
21 resident who notifies the corporation that, for religious reasons, he or she does not
22 wish to have an account. Beginning in 2009, the corporation annually shall credit
23 to each account ~~the~~ ^{e → a} dollar amount that is the full premium, as determined by the
24 corporation under s. 260.15 (2) (b), ~~for a~~ ^{S ← offered} Tier 1 health care plan in the county in which
25 the eligible resident resides and that has been actuarially adjusted for the eligible

of any of the

1 resident based on age, sex, and other appropriate risk factors determined by the
2 board. Subject to sub. (2) and s. 260.20 (3), the corporation shall pay the amount
3 credited under this paragraph to the health care plan selected by the eligible
4 resident, or to which the eligible resident has been assigned, under s. 260.15 (3).

5 (b) 1. The health insurance purchasing account of an eligible resident who is
6 at least 18 years of age shall also include a health savings account, as described in
7 26 USC 223. For an eligible resident who is under 18 years of age when his or her
8 health insurance purchasing account is established, his or her health insurance
9 purchasing account shall include a health savings account beginning in the year in
10 which the eligible resident is 18 years of age on January 1.

11 2. Beginning in 2009, the corporation annually shall deposit an amount into
12 each health savings account. Subject to s. 260.20 (5), the amount deposited in 2009
13 shall be \$500 and the amount deposited in each year thereafter shall be adjusted to
14 reflect the annual percentage change in the U.S. consumer price index for all urban
15 consumers, U.S. city average, as determined by the U.S. department of labor, for the
16 12-month period ending on December 31 of the preceding year.

17 3. If the corporation estimates that revenues will exceed costs in a year, the
18 corporation may deposit into each health savings account an amount in addition to
19 the amount deposited under subd. 2.

20 4. In addition to amounts deposited under subds. 2. and 3., the corporation may
21 deposit into the health savings account of an eligible resident who successfully
22 follows a healthy lifestyle protocol certified by the corporation under s. 260.40 (2) (a),
23 an amount determined by the corporation to be equal to the average reduction in
24 health care costs per eligible resident who adopts a healthy lifestyle protocol.

1 5. Notwithstanding subsds. 2., 3., and 4., the total amount deposited in an
2 eligible resident's health savings account may not exceed the maximum amount
3 allowed under federal law. ✓

4 (2) ADDITIONAL PAYMENT FOR DISPROPORTIONATE RISK. The corporation may retain
5 a percentage of the amounts credited under sub. (1) (a) to pay to health care plans
6 that have incurred disproportionate risk not fully compensated for by the actuarial
7 adjustment in the amount credited to each account under sub. (1) (a). Any payment
8 to a health care plan under this subsection shall reflect the disproportionate risk
9 incurred by the health care plan. ✓

10 **260.15 Health care plans.** (1) PARTICIPATION OF INSURERS. (a) Subject to par.
11 (c), the corporation shall solicit bids from, and enter into contracts with, insurers for
12 offering coverage to eligible residents. Any insurer that is authorized to do business
13 in this state in one or more lines of insurance that includes health insurance is
14 eligible to submit a bid.

15 (b) In determining which insurers qualify to offer coverage, the corporation
16 shall use financial, coverage, and disclosure standards that are comparable to those
17 that the department of employee trust funds has used in qualifying insurers for
18 offering coverage under the state employee health plan under s. 40.51 (6). ✓

19 (c) The corporation shall ensure that each eligible resident in each county in
20 this state has a choice of at least 2 health care plans offered by at least 2 different
21 insurers. ✓ *are*

22 (2) TIER ASSIGNMENT AND PREMIUM DETERMINATION. (a) The corporation shall
23 rank the health care plans offered in each county and assign each health care plan
24 to one of 3 tiers, on a countywide basis, based on the health care plan's risk-adjusted
25 cost and quality. ✓ The corporation shall assign to "Tier 1" health care plans that it

1 determines provide high quality care at a low risk-adjusted cost, assign to "Tier 2"
2 health care plans that it determines provide care at a higher risk-adjusted cost, and
3 assign to "Tier 3" health care plans that it determines provide care at the highest
4 risk-adjusted cost.

5 (b) The corporation shall determine the out-of-pocket monthly premium
6 amounts that eligible residents must pay to enroll in Tier 2 health care plans and Tier
7 3 health care plans. The out-of-pocket monthly premium amounts shall be based
8 on the actual differences in risk-adjusted cost between Tier 1 and Tier 2 health care
9 plans, and between Tier 1 and Tier 3 health care plans. ✓

10 (3) PLAN SELECTION. Beginning in 2008, the corporation shall offer an annual
11 open enrollment period during which each eligible resident may select a health care
12 plan from among those offered. Coverage under the health care plan that an eligible
13 resident selects during an annual open enrollment period shall be effective on the
14 following January 1. An eligible resident who does not select a health care plan will
15 be randomly assigned to a Tier 1 health care plan. ✓

16 **260.20 Benefits.** (1) GENERALLY. Coverage under this chapter shall begin on
17 January 1, 2009, and shall include medical and hospital care coverage, prescription
18 drug coverage, and limited dental care coverage.

19 (2) BENEFITS WITHOUT CERTAIN COST SHARING. Deductibles, coinsurance, and
20 copayments shall not apply to coverage of any of the following health care services,
21 as defined by the corporation:

- 22 (a) Emergency care.
- 23 (b) Prenatal care for pregnant women.
- 24 (c) Well-baby care.
- 25 (d) Annual medical examinations for children up to 18 years of age.

and related health care services as determined by the corporation

Insert 67-15

- 1 (e) Medically indicated immunizations for children up to 18 years of age.
- 2 (f) Annual gynecological examinations for older girls and women.
- 3 (g) Medically indicated Papanicolaou tests and mammograms.
- 4 (h) Annual medical examinations for older men.
- 5 (i) Medically indicated colonoscopies.
- 6 (j) Limited dental care, as determined by the corporation under sub. (4).
- 7 (k) Other preventive services or procedures, as determined by the corporation,
- 8 for which there is scientific evidence that exemption from cost sharing is likely to
- 9 reduce health care costs or avoid health risks.

10 (3) PHARMACY BENEFIT. (a) Except as provided in par. (b), the corporation shall
 11 assume the risk for, and pay for, prescription drugs provided to eligible residents.
 12 For this purpose, the corporation shall retain the portion of the amount credited
 13 under s. 260.10 (1)^(a) that is actuarially allocated for prescription drug coverage.

14 (b) If the corporation determines that the method of providing prescription
 15 drug coverage under par. (a) is not cost-effective, the corporation may require the
 16 health care plans to provide prescription drug coverage to eligible residents and shall
 17 pay the portion of the amount credited under s. 260.10 (1) (a) that is actuarially
 18 allocated for prescription drug coverage to the eligible residents' health care plans.

19 (4) DENTAL BENEFIT. Every health care plan shall provide coverage of dental
 20 examinations and the application of coatings and sealants, as determined by the
 21 corporation, for eligible residents who are at least 2 years of age but not more than
 22 16 years of age.

23 (5) BENEFIT REDUCTION. (a) If the corporation determines, based on information
 24 and recommendations received from its actuaries, that the assessment under s.
 25 260.50 will not generate sufficient moneys for providing the health care benefits

cash balance in the health insurance purchasing trust fund is insufficient

CS AND HEALTH SAVINGS ACCOUNT DEPOSIT

1 under subs. (1) to (4), the corporation shall inform the governor and the legislature
2 of all of the following:

3 1. That the assessment is insufficient to keep revenues and expenses in balance
4 for one or more specified years.

5 2. What increase in the assessment would be required to maintain the current
6 benefit level and bring revenues and expenses into balance for the year or years
7 specified in subd. 1. ✓

8 3. Alternative reductions in the amount deposited into health savings accounts
9 under s. 260.10 (1) (b) 2. or in the benefits under this section that would be
10 appropriate to avoid an increase in the assessment and bring bring revenues and
11 expenses into balance for the year or years specified in subd. 1. ✓

12 4. The assessment increase, health savings account deposit reductions, or
13 benefit reductions, or the combination of increase and reductions, that the
14 corporation recommends to bring revenues and expenses into balance for the year or
15 years specified in subd. 1. ✓

16 5. The health savings account deposit reductions or benefit reductions that the
17 corporation prefers to bring revenues and expenses into balance for the year or years
18 specified in subd. 1. if legislation that alters the assessment formula, health savings
19 account deposit under s. 260.10 (1) (b) 2., or benefits provided under this section is
20 not enacted before the beginning of the first year specified in subd. 1.

21 (b) If legislation is not enacted before the beginning of the first year specified
22 in subd. 1. to bring revenues and expenses into balance for the year or years specified
23 in par. (a) 1., the corporation shall implement the health savings account deposit
24 reductions or benefit reductions specified in par. (a) 5.

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1 **260.25 Cost sharing. (1) PREMIUMS.** (a) An eligible resident who selects or
2 is assigned to coverage under a Tier 1 health care plan shall pay no premium in
3 addition to the amount paid by the corporation under s. 260.10 (1) (a) to the eligible
4 resident's health care plan.

5 (b) An eligible resident who selects coverage under a Tier 2 or Tier 3 health care
6 plan shall be required to pay to the selected Tier 2 or Tier 3 health care plan, as a
7 condition of enrollment, the out-of-pocket monthly premium determined by the
8 corporation under s. 260.15 (2) (b).

9 **(2) DEDUCTIBLES.** Except as provided in s. 260.20 (2) and subject to sub. (4), in
10 a year, an eligible resident shall pay the following annual deductible amount:

11 (a) For an eligible resident who is 18 years of age or older on January 1 of that
12 year, \$1,200. ✓

13 (b) For an eligible resident who is under 18 years of age on January 1 of that
14 year, \$100. ✓

15 **(3) COINSURANCE AND COPAYMENTS.** Except as provided in s. 260.20 (2) and
16 subject to sub. (4), in a year, after the deductible under sub. (2) has been satisfied,
17 an eligible resident shall pay all of the following:

18 (a) Coinsurance that is equal to at least 10 percent but not more than 20 percent
19 of medical, hospital, and prescription drug costs, as determined by the corporation.

20 (b) For each prescription of a brand-name drug that is on the preferred list
21 determined by the corporation under s. 260.20 (3) (a) or by the eligible resident's
22 health care plan under s. 260.20 (3) (b), in addition to the coinsurance required under
23 par. (a), either coinsurance of at least 10 percent but not more than 20 percent or a
24 copayment, as determined by the corporation.

1 (c) For each prescription of a brand-name drug that is not on the preferred list
2 determined by the corporation, under s. 260.20 (3) (a) or by the eligible resident's
3 health care plan under s. 260.20 (3) (b), in addition to the coinsurance required under
4 par. (a), either coinsurance of at least 20 percent but not more than 40 percent or a
5 copayment, as determined by the corporation.

6 (4) MAXIMUM AMOUNTS. (a) Subject to par. (c), an eligible resident under sub.
7 (2) (a) may not be required to pay more than \$2,000 per year in total cost sharing
8 under subs. (2) and (3).

9 (b) Subject to par. (c), an eligible resident under sub. (2) (b) may not be required
10 to pay more than \$500 per year in total cost sharing under subs. (2) and (3).

11 (c) A family consisting of 2 or more eligible residents may not be required to pay
12 more than \$3,000 per year in total cost sharing under subs. (2) and (3).

13 (5) ADJUSTMENTS. (a) Notwithstanding subs. (2) to (4), the corporation shall
14 reduce the deductible, coinsurance, copayment, and maximum cost-sharing
15 amounts for low-income eligible residents, as determined by the corporation, to
16 ensure that the cost sharing required does not deter low-income eligible residents
17 from seeking and using appropriate health care services.

18 (b) Notwithstanding subs. (2) to (4), beginning in 2010, the corporation
19 annually shall adjust the deductible and maximum cost-sharing amounts to reflect
20 the annual percentage change in the U.S. consumer price index for all urban
21 consumers, U.S. city average, as determined by the U.S. department of labor, for the
22 12-month period ending on December 31 of the preceding year.

23 **260.30 Preexisting condition exclusion. (1) TO WHOM APPLICABLE.** Subject
24 to sub. (2), a health care plan may not provide coverage for any preexisting condition,
25 as defined by the corporation, of an eligible resident who, at any time during the

1 18-month period before becoming an eligible resident, resided outside of Wisconsin
2 and who did not have health insurance coverage that was substantially similar to the
3 coverage provided under this chapter, as determined by the corporation.

4 (2) LENGTH OF EXCLUSION. A preexisting condition exclusion under sub. (1) may
5 not extend beyond the date on which the eligible resident has been covered under this
6 chapter for a total of 18 months, which coverage need not be continuous.

continuously

7 **260.40 Health care advisory committee; health care policies. (1)**

8 ESTABLISHMENT OF COMMITTEE. (a) The corporation shall establish a health care
9 advisory committee to advise it on all matters related to promoting healthier
10 lifestyles; promoting health care quality; increasing the transparency of health care
11 cost and quality information; preventive care; disease management; the appropriate
12 use of primary care, medical specialists, prescription drugs, and hospital emergency
13 rooms; confidentiality of medical information; the appropriate use of technology;
14 benefit design; the availability of physicians, hospitals, and other providers; and
15 reducing health care costs.

16 (b) The committee shall consist of the following:

- 17 1. Three members designated by the Wisconsin Medical Society.
- 18 2. Three members designated by the Wisconsin Hospital Association.
- 19 3. One member designated by the dean of the University of Wisconsin School
20 of Medicine and Public Health.
- 21 4. One member designated by the president of the Medical College of
22 Wisconsin.
- 23 5. One member designated by the Wisconsin Nurses Association.
- 24 6. One member designated by the Wisconsin Federation of Nurses and Health
25 Professionals.

1 7. One member designated by the Wisconsin Chiropractic Association.

2 8. One member designated by the Wisconsin Dental Association.

3 (c) The committee members shall elect a chairperson from among the members.

4 The chairperson, or his or her designee, shall attend every meeting of the board to
5 communicate to the corporation the advice and recommendations of the committee.

6 The chairperson, or his or her designee, shall communicate to the committee any
7 questions on which the corporation is seeking the committee’s advice or
8 recommendations. The corporation shall vote on each recommendation submitted
9 to it by the committee as to whether the recommendation should be implemented.

10 (d) Annually, on or before September 1, the committee shall submit to the
11 corporation ^{→ a summary of all of} its recommendations ^{→ during the previous 12 months} for improving the health insurance purchasing
12 arrangement under this chapter. The corporation shall include those
13 recommendations ^{→ and the votes taken by the corporation on} in its annual report under s. 260.05 (2) (f). ^{them}

14 (2) ADOPTION OF HEALTH CARE POLICIES. The corporation shall do all of the
15 following:

16 (a) In consultation with the health care advisory committee and experts on
17 creating effective incentives for individuals and employers relating to healthier
18 lifestyles, adopt evidence-based policies that create incentives for eligible residents
19 to adopt healthier lifestyles and for employers to institute work-based programs
20 that have been shown to improve the health status of employees and their families.

21 (b) In consultation with the health care advisory committee and experts on
22 increasing the transparency of health care cost and quality information, and in
23 collaboration with the health care advisory committee and health care plans and
24 health care providers, adopt policies that provide eligible residents with current,
25 comprehensive, easily accessible, and easily understandable information about the

1 cost and quality of the care provided by Wisconsin health care providers and by any
2 physicians, clinics, or hospitals outside of Wisconsin that are included in a network
3 of a health care plan offered under the health insurance purchasing arrangement
4 under this chapter.

5 (c) In consultation with the health care advisory committee, the Wisconsin
6 Health Information Organization, the Wisconsin Collaborative for Health Care
7 Quality, and other medical and nonmedical experts on health care quality, promote
8 evidence-based improvements in the quality of health care delivery in Wisconsin.

9 **260.50 Assessments, individuals and businesses. (1) DEFINITIONS.** In this
10 section:

11 (a) "Department" means the department of revenue.

12 (b) "Employer" means a person who is required under the Internal Revenue
13 Code to file form 941.

14 (c) "Self-employed individual" means an individual who is required under the
15 Internal Revenue Code to file schedule SE.

16 (d) "Social security wages" means:

17 1. For purposes of sub. (2), the amount of net earnings from self-employment,
18 as defined in section 1402 (a) of the Internal Revenue Code, received by an individual
19 in a taxable year.

20 2. For purposes of sub. (3), the amount of wages, as defined in section 3121 (a)
21 of the Internal Revenue Code, paid by an employer in a taxable year with respect to
22 employment, as defined in section 3121 (b) of the Internal Revenue Code.

23 (e) "Wisconsin earnings" means wage, salary, or tip income earned in a taxable
24 year, and subject to the tax imposed under s. 71.02, by an individual who is domiciled
25 in this state.

1 **(2) INDIVIDUALS.** (a) A self-employed individual shall pay one of the following
2 amounts, as provided in sub. (4):

3 1. If social security wages do not exceed \$50,000, 5 percent of social security
4 wages.

5 2. If social security wages exceed \$50,000, but do not exceed \$500,000, an
6 amount calculated by multiplying all of the social security wages by the sum of 5
7 percent plus the product of 0.02 percent multiplied by each increment of \$1,000 by
8 which social security wages exceed \$50,000, rounded up to the next highest whole
9 number increment.

10 3. If social security wages exceed \$500,000, an amount calculated by
11 multiplying all of the social security wages by 14 percent.

12 (b) If an individual to whom par. (a) does not apply has Wisconsin earnings of
13 less than \$10,000, or less than \$20,000 if married and filing jointly, and whose federal
14 adjusted gross income is more than \$20,000, or more than \$40,000 if married and
15 filing jointly, the individual shall pay the lesser of the following amounts, as provided
16 in sub. (4):

17 1. Ten percent of the difference between adjusted gross income and Wisconsin
18 earnings.

19 2. If the individual is single, or married and filing separately, \$2,000.

20 3. If the individual is married and filing jointly, \$4,000.

21 **(3) BUSINESSES.** (a) Except as provided in pars. (c) and (d), an employer shall
22 pay one of the following amounts, as provided in sub. (4):

23 1. If social security wages do not exceed \$50,000, 3 percent of social security
24 wages.

1 2. If social security wages exceed \$50,000, but do not exceed \$500,000, an
2 amount calculated by multiplying all of the social security wages by the sum of 3
3 percent plus the product of 0.02 percent multiplied by each increment of \$1,000 by
4 which social security wages exceed \$50,000, rounded up to the next highest whole
5 number increment.

6 3. If social security wages exceed \$500,000, an amount calculated by
7 multiplying all of the social security wages by 12 percent.

8 (b) Except as provided in par. (c), an employer shall deduct from the wages of
9 each of the employer's employees an amount that is equal to 2 percent of the social
10 security wages of each employee and shall remit that amount to the department at
11 the same time that the employer pays the amount described in par. (a).

12 (c) An employer who, on January 1, 2009, provides health care coverage to
13 employees pursuant to a collective bargaining agreement entered into with a union
14 may, for the duration of the agreement, exclude from the amount of social security
15 wages subject to the assessments under pars. (a) and (b) the amount of social security
16 wages of any employee who receives health care coverage under the agreement.

17 (d) The corporation may reduce the amount paid by an employer under par. (a)
18 if the corporation determines that the employer has successfully instituted a
19 work-based program certified by the corporation under s. 260.40 (2) (a) to be an
20 evidence-based program that has been shown to improve the health status of
21 employees and their families. Any reduction in the amount paid by the employer
22 shall be no greater than the amount that the corporation has determined, based on
23 the evidence, to be equal to the total average savings in health care cost that the
24 scientific evidence indicates will result from implementation of such a program by
25 the employer.