



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER  
CHIEF

December 8, 2005

## MEMORANDUM

**To:** Representative Nischke

**From:** Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263  
Pamela J. Kahler, Sr. Legislative Attorney, (608) 266-2682

**Subject:** Technical Memorandum to **2005 AB-844** (LRB 05-3798/2)

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

December 5, 2005

**TO:** Joseph Kreye  
Pamela Kahler  
Legislative Reference Bureau

**FROM:** Rebecca Boldt  
Department of Revenue

**SUBJECT:** Technical Memorandum on AB 844: Health Insurance Risk-Sharing Plan Credit

The HIRSP credit has a \$5 million cap for the state fiscal year. The amount of credit is for payments in the calendar year in which claimant's taxable year begins. The following language is intended to relate the credit amount to the state fiscal year assessments used in determining the \$5 million cap, while still providing credit only for amounts actually paid by the companies in a taxable year. We recommend the following language for sections 71.09 (5g), 71.28 (5g) 71.47 (5g), and 76.655:

(b) Filing claims and limitations. 1. For taxable years beginning after December 31, 2005, a claimant may claim as a credit against taxes imposed under s. 71.02, an amount that is equal to the amount of the assessment paid by the claimant for each taxable year under s. 149.13 multiplied by the percentage determined under subdivision (c).

(c) Limitations. 1. The department of revenue, in consultation with the office of the commissioner of insurance, shall determine the percentage under par. (b) for each claimant for each taxable year. The percentage shall be equal to \$5,000,000 divided by the aggregate assessment under s. 149.13 per state fiscal year. The commissioner of insurance shall provide to each claimant that participates in the cost of administering the plan the aggregate assessment at the time it notifies that claimant of its individual assessment. The aggregate amount of credit under this section and ss. 71.28 (5g), 71.47 (5g), and 76.655, for all claimants participating in the cost of administering the plan shall not exceed \$5,000,000 each state fiscal year.

If you have any questions regarding this technical memorandum, please contact Pam Walgren at 266-7817.

cc: Rep. Nischke