



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

April 17, 2007

MEMORANDUM

To: Representative Moulton

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2007 AB 235** (LRB-1412/3) by **DOR**

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

April 16, 2007

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on AB 235 – Workplace Wellness Programs Credit

The Department has the following concerns with the above referenced bill:

Section 71.07(5i)(b) allows the credit to be offset against the taxes imposed under sec. 71.02. However, the order of computation (s. 71.10(4)(gxx)) places the credit after the alternative minimum tax. Section 71.07(5i)(b) should also include a reference to the taxes imposed under s. 71.08. Section 71.08(1) should be amended to include sec. 71.07(5i) in the list of credits not considered when computing alternative minimum tax.

In the definition of “workplace wellness program” in subsection (5i)(a)3., it is unclear whether a workplace wellness program must include all of the services listed in 3.a. through 3.g., or any one or more of those services.

Subsection (5i)(b) provides that the credit may be claimed in each taxable year for three years. It is unclear how this three-year limitation is to be applied if the employer claimed three years of credit for a wellness program in the past, and then starts a new, different wellness program. For example, in January of 2008 the employer began a smoking cessation program for employees. Credits are claimed for the smoking cessation program for 2008, 2009, and 2010. In 2011, the employer starts a stress management program. One possible solution would be to limit the credit to taxable years beginning after December 31, 2007, and before January 1, 2011. Another would be to limit claiming the credit to three taxable years in total for any claimant.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@dor.state.wi.us.

cc: Rep. Moulton