

2007 DRAFTING REQUEST

Bill

Received: **01/12/2007**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Carol Roessler (608) 266-5300**

By/Representing: **Jennifer**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - dedct/sbtrct**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Roessler@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Individual income tax deduction for amounts paid by an individual for health insurance if employer pays part of employee's health ins.

Instructions:

See Attached.

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 01/26/2007	jdyer 02/15/2007		_____			State Tax
/1			pgreensl 02/15/2007	_____	sbasford 02/15/2007	mbarman 02/26/2007	

FE Sent For: *atw*

3/8/07

<END>

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/?	mshovers	1/15 jld	2/15	2/15			
11	ME S	1/26/07	1/15	self			

FE Sent For:

<END>

Shovers, Marc

From: Stegall, Jennifer
Sent: Thursday, January 11, 2007 3:02 PM
To: Shovers, Marc
Subject: Tax deduction on premiums draft

Hi Marc,

Here is the drafting request I mentioned earlier....

*Provide a tax deduction for any post tax premium payments made to employer sponsored health plans.

- Act 25 (the 2005-07 Budget) increased from 50% to 100% the amount of health insurance premiums that are deductible for employees whose employer doesn't pay anything toward health insurance.
- Act 25 also created a deduction (phased-in over time, to 100% in 2009) for people who aren't employed and don't have self-employment income.

Thanks!

Jennifer Stegall
Office of State Senator Carol Roessler
608-266-5300



State of Wisconsin
2007 - 2008 LEGISLATURE

2/19/08 LRB-1605/7
MES:.....
fmc jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-NOTE

gen

1 AN ACT ..., relating to: creating an individual income tax subtract modification
2 for medical care insurance costs[✓] paid by certain individuals who are employed
3 by other persons.[✓]

Analysis by the Legislative Reference Bureau

Under current law, there is an individual income tax deduction for 100[✓] percent of the amount paid by a person for a medical care insurance policy that covers the person, his or her spouse, and the person's dependents if the person's employer pays no amount of money toward the person's medical care insurance. Also under current law, a similar deduction exists for 100[✓] percent of such amounts paid for a medical care insurance policy by a self-employed person. A similar deduction also exists under current law for approximately 33[✓] percent of such amounts paid for a medical care insurance policy by a person who has no employer and no self-employment income, although this percentage will increase to 100[✓] percent for taxable years beginning after December 31, 2008.

This bill creates an individual income tax deduction for 100[✓] percent of the amount that is paid by an individual for a medical care insurance policy that covers the individual, his or her spouse, and the individual's dependents if the individual's employer pays a portion of the cost of the individual's policy.[✓]

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the 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) 39[✓] of the statutes is created to read:

2 71.05 (6) (b) 39. For taxable years beginning after December 31, 2006[✓], an
3 amount paid by an individual who is the employee of another person, if the
4 individual's employer pays a portion of the cost of the individual's medical care
5 insurance, for medical care insurance for the individual, his or her spouse, and the
6 individual's dependents, calculated as follows: [✓]

7 a. One hundred percent of the amount paid by the individual for medical care
8 insurance. In this subdivision, "medical care insurance" [✓] means a medical care
9 insurance policy that covers the individual, his or her spouse, and the individual's
10 dependents and provides surgical, medical, hospital, major medical, or other health
11 service coverage, and includes payments made for medical care benefits under a
12 self-insured [✓] plan, but "medical care insurance" does not include hospital indemnity
13 policies or policies with ancillary benefits such as accident benefits or benefits for loss
14 of income resulting from a total or partial inability to work because of illness,
15 sickness, or injury. [✓]

16 b. From the amount calculated under subd. 39. a., [✓] subtract the amounts
17 deducted from gross income for medical care insurance in the calculation of federal
18 adjusted gross income.

19 c. For an individual who is a [✓] nonresident or part-year resident of this state,
20 multiply the amount calculated under subd. 39. a. or b., [✓] by a fraction the numerator
21 of which is the individual's wages, salary, tips, unearned income, and net earnings

1 from a trade or business[✓] that are taxable by this state and the denominator of which
2 is the individual's total wages, salary, tips, unearned income, and net earnings from
3 a trade or business. In this subd. 39. c.[✓], for married persons filing separately "wages,
4 salary, tips, unearned income, and net earnings from a trade or business" means the
5 separate wages, salary, tips, unearned income, and net earnings from a trade or
6 business of each spouse, and for married persons filing jointly "wages, salary, tips,
7 unearned income, and net earnings from a trade or business" means the total wages,
8 salary, tips, unearned income, and net earnings from a trade or business of both
9 spouses.[✓]

10 d. Reduce the amount calculated under subd. 39. a., b., or c.[✓] to the individual's
11 aggregate wages, salary, tips, unearned income, and net earnings from a trade or
12 business that are taxable by this state.[✓]

13 (END)

d-note
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

date

LRB-1605/3dn

MES:m.....

Jd

*

Senator Roessler :

If this bill is not enacted by approximately August 1, 2007, the date in the bill will have to be advanced by one year to give the Department of Revenue enough time to print and distribute the tax forms.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1605/1dn
MES:jld:pg

February 15, 2007

Senator Roessler:

If this bill is not enacted by approximately August 1, 2007, the date in the bill will have to be advanced by one year to give the Department of Revenue enough time to print and distribute the tax forms.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

Duerst, Christina

From: Stegall, Jennifer
Sent: Monday, February 26, 2007 12:37 PM
To: LRB.Legal
Subject: Draft Review: LRB 07-1605/1 Topic: Individual income tax deduction for amounts paid by an individual for health insurance if employer pays part of employee's health ins.

Please Jacket LRB 07-1605/1 for the SENATE.