

2007 SENATE BILL 312

November 6, 2007 – Introduced by Senators LASSA, LEHMAN, ROESSLER and DARLING, cosponsored by Representatives JESKEWITZ, ALBERS, HAHN, TOWNSEND, GRIGSBY, VOS, A. WILLIAMS, ZEPNICK, A. OTT, GRONEMUS and BERCEAU. Referred to Committee on Tax Fairness and Family Prosperity.

1 **AN ACT** *to amend* 20.566 (1) (hp); and *to create* 20.435 (3) (r), 25.17 (1) (f), 25.66,
2 46.999 and 71.10 (5i) of the statutes; **relating to:** creating an individual income
3 tax checkoff for the foster youth scholarship fund and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, an individual income tax check-off procedure exists that allows an individual who files a return to designate any amount of additional payment or any amount of a refund due for the endangered resources program. Similar checkoffs exist to provide payments to several other programs, including a veterans trust fund, prostate cancer research, multiple sclerosis programs, a fire fighters memorial, and a breast cancer research program, and to provide a donation to a professional football stadium district. This bill creates a similar income tax checkoff for designations to the foster youth scholarship fund, which is a fund established under the bill for the purpose of awarding scholarships to defray the cost of tuition, fees, and expenses for foster youths, as defined in the bill, enrolled in certain postsecondary educational programs.

Under the bill, an individual who has an income tax liability, is due a refund, or is required to file a return may designate any amount of additional payment, or any amount of a refund due, to the foster youth scholarship fund on his or her income tax return. If an individual's designation exceeds the amount of his or her refund, he or she must include a check with his or her tax return for the difference between the amount of the designation and the amount of the refund. If an individual who makes a contribution has a tax liability or has no tax liability and is due no refund,

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he or she must include a check for the amount of the designation with his or her tax return.

The bill requires that an amount equal to the total amount of designations received, less the total cost of administrating the income tax check-off procedure, be deposited in the foster youth scholarship fund. The bill requires the Department of Health and Family Services to use the money from the foster youth scholarship fund to award scholarships to defray the cost of tuition, fees, and expenses for foster youths enrolled in any program provided by an accredited, nonprofit public or private institution of higher education or by a private trade, correspondence, business or technical school that leads to a degree, diploma, license, or certificate and that has an occupational, vocational, or educational objective. The maximum amount of a scholarship is \$5,000 per academic year.

The bill defines “foster youth” as a resident of this state under 25 years of age who: 1) has lived in a foster home, treatment foster home, group home, residential care center for children and youth, or subsidized guardianship home or has lived in the home of a kinship care relative or long-term kinship care relative under a court order (out-of-home placement) for not less than six months after attaining the age of 15 years; or 2) has lived in an out-of-home placement for not less than six months before attaining the age of 15 years and was adopted after attaining that age.

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.** 20.435 (3) (r) of the statutes is created to read:

2 20.435 (3) (r) *Foster youth scholarship fund.* From the foster youth scholarship
3 fund, all moneys deposited in that fund under s. 71.10 (5i) (i) and all moneys received
4 as contributions, gifts, grants, and bequests for that fund under s. 46.999 (4) for
5 foster youth scholarships under s. 46.999 (2).

6 **SECTION 2.** 20.566 (1) (hp) of the statutes is amended to read:

7 20.566 (1) (hp) ~~*Administration of endangered resources; professional football*~~
8 ~~*district; breast cancer research; fire fighters memorial; veterans trust fund; multiple*~~
9 ~~*sclerosis programs; prostate cancer research*~~ *income tax checkoff* *voluntary payments.*

10 The amounts in the schedule for the payment of all administrative costs, including
11 data processing costs, incurred in administering ss. 71.10 (5), (5e), (5f), (5fm), (5g),

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1 (5h), (5i), and (5m), and 71.30 (10). All moneys specified for deposit in this
2 appropriation under ss. 71.10 (5) (h) 5., (5e) (h) 4., (5f) (i), (5fm) (i), (5g) (i), (5h) (i),
3 (5i) (i), and (5m) (i), and 71.30 (10) (i) and (11) (i) shall be credited to this
4 appropriation.

5 **SECTION 3.** 25.17 (1) (f) of the statutes is created to read:

6 25.17 (1) (f) Foster youth scholarship fund (s. 25.66);

7 **SECTION 4.** 25.66 of the statutes is created to read:

8 **25.66 Foster youth scholarship fund.** There is established a foster youth
9 scholarship fund, consisting of all moneys deposited in that fund under s. 71.10 (5i)
10 (i) and all moneys received for that fund under s. 46.999 (4).

11 **SECTION 5.** 46.999 of the statutes is created to read:

12 **46.999 Foster youth scholarships. (1) DEFINITION.** In this section, “foster
13 youth” means a resident of this state under 25 years of age who meets any of the
14 following qualifications:

15 (a) Has lived in a foster home, treatment foster home, group home, residential
16 care center for children and youth, or subsidized guardianship home, or has lived in
17 the home of a kinship care relative or long-term kinship care relative under a court
18 order, for not less than 6 months after attaining the age of 15 years.

19 (b) Has lived in a placement described in par. (a) for not less than 6 months
20 before attaining the age of 15 years and was adopted after attaining that age.

21 **(2) AWARDING OF SCHOLARSHIPS.** From the appropriation account under s. 20.435
22 (3) (r), the department shall award scholarships to defray the cost of tuition, fees, and
23 expenses for foster youths enrolled in any program provided by an accredited,
24 nonprofit public or private institution of higher education or by a school approved
25 under s. 38.50 that leads to a degree, diploma, license, or certificate and that has an

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1 occupational, vocational, or educational objective. The maximum amount of a
2 scholarship under subsection may not exceed \$5,000 per academic year.

3 **(3) APPLICATION FOR SCHOLARSHIP.** A foster youth may apply for a scholarship
4 under sub. (2) by completing an application form prescribed by the department and
5 providing such additional information as the department may require. An initial
6 applicant shall provide a letter of acceptance from the institution of higher education
7 or school in which the applicant will enroll. An applicant who has previously been
8 awarded a scholarship shall provide proof that the applicant has a cumulative grade
9 point average of 2.0 or the equivalent as determined by the institution of higher
10 education or school in which he or she is enrolled and is making satisfactory progress
11 in the program in which he or she is enrolled.

12 **(4) SOLICITATION OF FUNDING.** The department may solicit and accept
13 contributions, gifts, grants, and bequests for the foster youth scholarship fund under
14 s. 25.66. Moneys received under this subsection shall be deposited in that fund,
15 credited to the appropriation account under s. 20.435 (3) (r), and used to award
16 scholarships under sub. (2).

17 **SECTION 6.** 71.10 (5i) of the statutes is created to read:

18 **71.10 (5i) FOSTER YOUTH SCHOLARSHIP FUND CHECKOFF.** (a) *Definitions.* In this
19 subsection:

20 1. “Department” means the department of revenue.

21 2. “Foster youth scholarship fund” means the fund under s. 25.66.

22 (b) *Voluntary payments.* 1. ‘Designation on return.’ Every individual filing an
23 income tax return who has a tax liability or is entitled to a tax refund may designate
24 on the return any amount of additional payment or any amount of a refund due that
25 individual for the foster youth scholarship fund.

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1 2. ‘Designation added to tax owed.’ If the individual owes any tax, the
2 individual shall remit in full the tax due and the amount designated on the return
3 for the foster youth scholarship fund when the individual files a tax return.

4 3. ‘Designation deducted from refund.’ Except as provided in par. (d), if the
5 individual is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80
6 (3) and (3m), the department shall deduct the amount designated on the return for
7 the foster youth scholarship fund from the amount of the refund.

8 (c) *Errors; failure to remit correct amount.* If an individual who owes taxes fails
9 to remit an amount equal to or in excess of the total of the actual tax due, after error
10 corrections, and the amount designated on the return for the foster youth scholarship
11 fund:

12 1. The department shall reduce the designation for the foster youth scholarship
13 fund to reflect the amount remitted in excess of the actual tax due, after error
14 corrections, if the individual remitted an amount in excess of the actual tax due, after
15 error corrections, but less than the total of the actual tax due, after error corrections,
16 and the amount originally designated on the return for the foster youth scholarship
17 fund.

18 2. The designation for the foster youth scholarship fund is void if the individual
19 remitted an amount equal to or less than the actual tax due, after error corrections.

20 (d) *Errors; insufficient refund.* If an individual is owed a refund that does not
21 equal or exceed the amount designated on the return for the foster youth scholarship
22 fund, after crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after error
23 corrections, the department shall reduce the designation for the foster youth
24 scholarship fund to reflect the actual amount of the refund that the individual is

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1 otherwise owed, after crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after
2 error corrections.

3 (e) *Conditions.* If an individual places any conditions on a designation for the
4 foster youth scholarship fund, the designation is void.

5 (f) *Void designation.* If a designation for the foster youth scholarship fund is
6 void, the department shall disregard the designation and determine amounts due,
7 owed, refunded, and received without regard to the void designation.

8 (g) *Tax return.* The secretary of revenue shall provide a place for the
9 designations under this subsection on the individual income tax return.

10 (h) *Certification of amounts.* Annually, on or before September 15, the
11 secretary of revenue shall certify to the department of health and family services, the
12 department of administration, and the state treasurer all of the following:

13 1. The total amount of the administrative costs, including data processing
14 costs, incurred by the department in administering this subsection during the
15 previous fiscal year.

16 2. The total amount received from all designations for the foster youth
17 scholarship fund made by taxpayers during the previous fiscal year.

18 3. The net amount remaining after the administrative costs, including data
19 processing costs, under subd. 1. are subtracted from the total received under subd.
20 2.

21 (i) *Appropriations.* From the moneys received from designations for the foster
22 youth scholarship fund, an amount equal to the sum of administrative expenses,
23 including data processing costs, certified under par. (h) 1. shall be deposited in the
24 general fund and credited to the appropriation account under s. 20.566 (1) (hp), and
25 the net amount remaining that is certified under par. (h) 3. shall be deposited in the

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1 foster youth scholarship fund and credited to the appropriation under s. 20.435 (3)
2 (r).

3 (j) *Amounts subject to refund.* Amounts designated for the foster youth
4 scholarship fund under this subsection are not subject to refund to the taxpayer
5 unless the taxpayer submits information to the satisfaction of the department,
6 within 18 months after the date on which the taxes are due or the date on which the
7 return is filed, whichever is later, that the amount designated is clearly in error. Any
8 refund granted by the department under this paragraph shall be deducted from the
9 moneys received under this subsection in the fiscal year for which the refund is
10 certified.

11 **SECTION 7. Initial applicability.**

12 (1) The treatment of section 71.10 (5i) of the statutes first applies to taxable
13 years beginning on January 1 of the year in which this subsection takes effect, except
14 that if this subsection takes effect after July 31 the treatment of section 71.10 (5i) of
15 the statutes first applies to taxable years beginning on January 1 of the year
16 following the year in which this subsection takes effect.

17 (END)