

# State of Wisconsin


LEGISLATIVE REFERENCE BUREAU

## **RESEARCH APPENDIX -** **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 11/24/2008 (Per: MES)



## Appendix A

 The 2007 drafting file for LRB-0497

has been transferred to the drafting file for

## **2009 LRB-0917**

☛ This cover sheet, the final request sheet, and the final version of the 2007 draft were copied on yellow paper, and returned to the original 2005 drafting file.

☛ The attached 2007 draft was incorporated into the new 2009 draft listed above. For research purposes, this cover sheet and the complete drafting file were transferred, as a separate appendix, to the 2009 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.

2007 DRAFTING REQUEST

Bill

Received: 10/09/2006

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Alvin Ott (608) 266-5831

By/Representing: Erin

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: Rep.Ott@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Exempt from taxation payments received from DNR's well compensation grant program

Instructions:

See Attached. Indiv. income tax subtract modification for amounts received from DNR's well compensation grant program

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> |
|--------------|------------------------|---------------------|------------------------|----------------|------------------------|-----------------|-----------------|
| /?           |                        |                     |                        |                |                        |                 | State<br>Tax    |
| /1           | mshovers<br>10/09/2006 | jdyer<br>10/13/2006 | rschluet<br>10/13/2006 |                | sbasford<br>10/13/2006 |                 |                 |

FE Sent For:

<END>

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|----------------|----------------|-----------------|--------------|----------------|------------------|-----------------|-----------------|
| 1/?            | mshovers       | 1/10/13 jld     |              |                |                  |                 |                 |
| 11 MES 10/9/06 |                |                 |              |                |                  |                 |                 |

FE Sent For:

<END>

# **Bill Draft Request**

**Date:** 10-5-06

**Legislator Requesting Draft:** Rep. Ott

**Person Submitting Request:** Erin Ruby – Research Assistant

**Person to Contact with Questions:** Erin Ruby (6-5831)

## **Drafting Request:**

Currently, funds received under the Department of Natural Resources' Well Compensation Grant Program are subject to both state and federal income tax.

The grants are used to reimburse homeowners for the replacement of wells exceeding health related state or federal drinking water standards for contaminants. The funds are targeted to assist low to medium income households in replacing contaminated wells.

The grant may cover up to 75% of the cost of well replacement with grant awards capped at \$9,000. Homeowners who receive the maximum grant award still incur significant out-of-pocket costs to replace their well and ensure they have access to potable water.

To help alleviate some of the financial burden of families needing to replace a contaminated well, Representative Ott would like a bill drafted to create a state income tax exemption for reimbursement received under the Well Compensation Program.

Feel free to call with any questions.

Thank you!



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-0497/?

MES...:....

*RmP Jld*

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*gen*

- 1 AN ACT ...; **relating to:** creating an individual income tax subtract modification  
2 for amounts received from the well contamination compensation program.✓

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***Analysis by the Legislative Reference Bureau***

Under current law, the Department of Natural Resources (DNR)✓ administers a program that provides compensation to persons with contaminated wells. A person with a family income of not more than \$65,000✓ may be eligible for the program. The program generally pays 75 percent of eligible costs with a maximum award of \$9,000.✓ Eligible costs include the costs of treating the well water or of constructing a new well or obtaining clean water from another source.

This bill creates an individual income tax subtract modification for amounts received by an individual from DNR✓ under the contaminated wells compensation program. Under the bill, the amount of the award received by an individual is exempt from taxation.

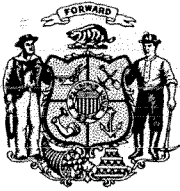
Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:***





State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-0497/1  
MES:jld:rs

2007 BILL

1 AN ACT *to create* 71.05 (6) (b) 39. of the statutes; **relating to:** creating an  
2 individual income tax subtract modification for amounts received from the well  
3 contamination compensation program.

---

*Analysis by the Legislative Reference Bureau*

Under current law, the Department of Natural Resources (DNR) administers a program that provides compensation to persons with contaminated wells. A person with a family income of not more than \$65,000 may be eligible for the program. The program generally pays 75 percent of eligible costs with a maximum award of \$9,000. Eligible costs include the costs of treating the well water or of constructing a new well or obtaining clean water from another source.

This bill creates an individual income tax subtract modification for amounts received by an individual from DNR under the contaminated wells compensation program. Under the bill, the amount of the award received by an individual is exempt from taxation.

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:*

**BILL**

1           **SECTION 1.** 71.05 (6) (b) 39. of the statutes is created to read:

2           71.05 (6) (b) 39. Any amount received from the department of natural resources  
3 as an award under the well contamination compensation program that is described  
4 under s. 281.75.

5           **SECTION 2. Initial applicability.**

6           (1) This act first applies to taxable years beginning on January 1 of the year  
7 in which this subsection takes effect, except that if this subsection takes effect after  
8 July 31 this act first applies to taxable years beginning on January 1 of the year  
9 following the year in which this subsection takes effect.

10   **(END)**