2009 DRAFTING REQUEST

Bill

Received: **01/13/2009**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Louis Molepske Jr (608) 267-9649**

By/Representing: **Lloyd**

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.Molepske@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow divorced or separated parents to claim an income tax deduction for EdVest contributions

---

Instructions:

See attached. Redraft 2007 AB 154 (LRB -1860)

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	mshovers 01/13/2009	kfollett 02/05/2009		_______ _______			State Tax
/1			mduchek 02/05/2009	_______ _______	sbasford 02/05/2009		State Tax
/2	mshovers 02/20/2009	kfollett 02/20/2009	jfrantze 02/20/2009	_______ _______	cduerst 02/20/2009	sbasford 02/23/2009	

FE Sent For: "4/2" @ intro. 3/6/09 <END>

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Allow divorced or separated parents to claim an income tax deduction for EdVest contributions

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Instructions: for /2: add parts from -1365/1

See attached. Redraft 2007 AB 154 (LRB -1860)

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	mshovers 01/13/2009	kfollett 02/05/2009		_______ _______			State Tax
/1			mduchek 02/05/2009	_______ _______	sbasford 02/05/2009		
/2 MES 2/20/09		/2 kf 2/20	jb 2/20		jb/RV 2/20		

FE Sent For:

<END>

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Bill

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By/Representing: **Lloyd**

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Drafter: **mshovers**

May Contact:

Addl. Drafters:

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

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Molepske@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allow divorced or separated parents to claim an income tax deduction for EdVest contributions

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Instructions:

See attached. Redraft 2007 AB 154 (LRB -1860)

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	mshovers	1/15 f					
		2/5					
/1	MES 1/13/09		MD 2/5				

FE Sent For:

<END>

Shovers, Marc

From: Duerst, Christina
Sent: Monday, January 12, 2009 4:22 PM
To: Shovers, Marc
Subject: FW: Bill Draft Request - Rep. Molepske

This was LRB 07-1860 if you need it.

From: Clark, Lloyd
Sent: Monday, January 12, 2009 4:13 PM
To: LRB.Legal
Subject: Bill Draft Request - Rep. Molepske

Date: 1/12/09

Legislator: Rep. Molepske
Staff Contact: Lloyd Clark 267-9649

Bill Description:

Redraft of 2007 AB 154

This bill would:

Under current law, there is a college tuition and expenses program, commonly referred to as "EdVest I," under which a contributor may purchase "tuition units" that can be used to pay qualified educational costs on behalf of a beneficiary. The purchase of the units is limited to parents, grandparents, aunts, uncles, legal guardians, trusts created on behalf of a beneficiary, or individuals purchasing units for their own use. Contributions made to an account set up under the program, up to a limit of $3,000 each year for each beneficiary, may be deducted from a contributor's income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant's child and the claimant's dependent under the Internal Revenue Code; the claimant's grandchild; the claimant's great–grandchild; or the claimant's niece or nephew.

Also, under current law, there exists a college savings program, commonly referred to as "EdVest II," under which anyone may open an account for a prospective student, regardless of the contributor's relationship to the beneficiary. Individuals may open accounts for themselves, and a prospective student may be the beneficiary of more than one college savings account. Contributions made to an account set up under the program, up to a limit of $3,000 each year for each beneficiary, may be deducted from a contributor's income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant's child and the claimant's dependent under the Internal Revenue Code; the claimant's grandchild; the claimant's great–grandchild; or the claimant's niece or nephew.

Under this bill, an income tax deduction for amounts contributed to both EdVest I and EdVest II may be claimed by a divorced or legally separated parent of a child. The deduction may be claimed without regard to whether the child is his or her dependent.

Currently, the total amount for which a deduction may be claimed under the college tuition and expenses program and the college savings program, per beneficiary, by any claimant, may not exceed $3,000 each year and, in the case of a married couple filing a joint return, the total annual deduction under these two programs, per beneficiary, claimed by the married couple may not exceed $3,000.

Under the bill, the total annual deduction under these two programs, per beneficiary, claimed by married parents who file jointly or separately, or by each divorced or legally separated parent of a child, may not exceed $3,000. The total annual deduction under the bill, under these two programs, per beneficiary, claimed by a married person who files separately may not exceed $1,500 per claimant.

Some provisions may already exist in current Wisconsin statute.

Keep Confidential

LLOYD CLARK
OFFICE OF REPRESENTATIVE LOUIS J. MOLEPSKE, JR.
CHAIR - COMMITTEE ON JOBS, THE ECONOMY, AND SMALL BUSINESS
608-267-9649
888-534-0071

2007 – 2008 LEGISLATURE

LRB-1860/1 -1474/1
MES:wlj:nwn

PWF

RMNR kjf

2009 2007 ASSEMBLY BILL 154

March 5, 2007 – Introduced by Representatives MOLEPSKE, VOS, ZEPNICK, HAHN, VRUWINK, F. LASEE, BERCEAU, ALBERS, SEIDEL, PETROWSKI and HEBL, cosponsored by Senators PLALE, GROTHMAN, HANSEN, OLSEN, MILLER, SCHULTZ, ROESSLER and DARLING. Referred to Committee on Colleges and Universities.

gen

AN ACT ***to amend*** 71.05 (6) (b) 32. (intro.), 71.05 (6) (b) 32. a., 71.05 (6) (b) 33. (intro.) and 71.05 (6) (b) 33. a. of the statutes; **relating to:** allowing an individual income tax deduction for certain amounts contributed by a divorced or legally separated parent to his or her child's college savings account or college tuition and expenses program and limiting the deduction that may be claimed by a married person who files separately.

Analysis by the Legislative Reference Bureau

Under current law, there is a college tuition and expenses program, commonly referred to as "EdVest I," under which a contributor may purchase "tuition units" that can be used to pay qualified educational costs on behalf of a beneficiary. The purchase of the units is limited to parents, grandparents, aunts, uncles, legal guardians, trusts created on behalf of a beneficiary, or individuals purchasing units for their own use. Contributions made to an account set up under the program, up to a limit of $3,000 each year for each beneficiary, may be deducted from a contributor's income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant's child and the claimant's dependent under the Internal Revenue Code; the claimant's grandchild; the claimant's great–grandchild; or the claimant's niece or nephew.

Also, under current law, there exists a college savings program, commonly referred to as "EdVest II," under which anyone may open an account for a prospective student, regardless of the contributor's relationship to the beneficiary. Individuals may open accounts for themselves, and a prospective student may be the beneficiary of more than one college savings account. Contributions made to an account set up under the program, up to a limit of $3,000 each year for each beneficiary, may be deducted from a contributor's income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant's child and the claimant's dependent under the Internal Revenue Code; the claimant's grandchild; the claimant's great–grandchild; or the claimant's niece or nephew.

Under this bill, an income tax deduction for amounts contributed to both EdVest I and EdVest II may be claimed by a divorced or legally separated parent of a child. The deduction may be claimed without regard to whether the child is his or her dependent.

Currently, the total amount for which a deduction may be claimed under the college tuition and expenses program and the college savings program, per beneficiary, by any claimant, may not exceed $3,000 each year and, in the case of a married couple filing a joint return, the total annual deduction under these two programs, per beneficiary, claimed by the married couple may not exceed $3,000.

Under the bill, the total annual deduction under these two programs, per beneficiary, claimed by married parents who file jointly or separately, or by each divorced or legally separated parent of a child, may not exceed $3,000. The total annual deduction under the bill, under these two programs, per beneficiary, claimed by a married person who files separately may not exceed $1,500 per claimant.

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:

SECTION 1. 71.05 (6) (b) 32. (intro.) of the statutes is amended to read:

71.05 **(6)** (b) 32. (intro.) An amount paid into a college savings account, as described in s. 14.64, if the beneficiary of the account is one of the following: the claimant; the claimant's child ~~and the claimant's dependent who is claimed under section 151 (c) of the Internal Revenue Code~~; the claimant's grandchild; the claimant's great–grandchild; or the claimant's niece or nephew; calculated as follows:

SECTION 2. 71.05 (6) (b) 32. a. of the statutes is amended to read:

71.05 **(6)** (b) 32. a. An amount equal to not more than $3,000 per beneficiary, by each contributor, or $1,500 by each contributor who is married and files separately, to an account for each year to which the claim relates, except that the total amount for which a deduction may be claimed under this subdivision and under subd. 33., per beneficiary by any claimant may not exceed $3,000 each year, or $1,500 each year by any claimant who is married and files separately. In the case of a married couple ~~filing a joint return~~, the total deduction under this subdivision and under ~~subdivision~~ subd. 33., per beneficiary by the married couple may not exceed $3,000 each year.

SECTION 3. 71.05 (6) (b) 33. (intro.) of the statutes is amended to read:

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SECTION 5. Initial applicability.

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

(END)

State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1474/1 2
MES:kjf:md

RMR

& now

2009 BILL

SOON
IN 2/20

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INS ANL

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INS 3-10 NO#

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INS 4-2 NOT

under subd. 32., per beneficiary by the married couple may not exceed $3,000 each year.

SECTION 5. Initial applicability.

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

(END)

INS ANL

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INS 3-10 NO #

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INS 4-2 NO #

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

(END)

Basford, Sarah

From: Clark, Lloyd

Sent: Monday, February 23, 2009 10:43 AM

To: LRB.Legal

Subject: Draft Review: LRB 09-1474/2 Topic: Allow divorced or separated parents to claim an income tax deduction for EdVest contributions

Please Jacket LRB 09-1474/2 for the ASSEMBLY.