

**2009 DRAFTING REQUEST**

**Bill**

Received: 11/13/2009

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Kristen Dexter (608) 266-9172

By/Representing: Matt, Sen. Kreitlow

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Tax, Individual - income credit

Extra Copies:

Submit via email: YES

Requester's email: Rep.Dexter@legis.wisconsin.gov

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Nonrefundable individual income tax credit; health savings account contributions

---

**Instructions:**

See attached. Assembly companion for LRB -3219/2

---

**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 11/13/2009	jdye 11/13/2009		_____			State
/1			jfrantze 11/13/2009	_____	sbasford 11/13/2009	cduerst 11/16/2009	

FE Sent For: "1" @ intro. 12/21/09

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: 11/13/2009

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Kristen Dexter (608) 266-9172**

By/Representing: **Matt, Sen. Kreitlow**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - income credit**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Nonrefundable individual income tax credit; health savings account contributions

---

**Instructions:**

See attached. Assembly companion for LRB -3219/2

---

**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 11/13/2009	jdye 11/13/2009		_____			State
/1			jfrantze 11/13/2009	_____	sbasford 11/13/2009		

FE Sent For:

<END>

**2009 DRAFTING REQUEST**

**Bill**

Received: 11/13/2009

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Kristen Dexter (608) 266-9172**

By/Representing: **Matt, Sen. Kreitlow**

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

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Tax, Individual - income credit**

Extra Copies:

Submit via email: **YES**

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

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

Nonrefundable individual income tax credit; health savings account contributions

---

**Instructions:**

See attached. Assembly companion for LRB -3219/2

---

**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 1 11/13 jld  
/1 MES 11/13/09

J 11/13

FE Sent For:

<END>

**Shovers, Marc**

**From:** Pagel, Matt  
**Sent:** Wednesday, November 11, 2009 3:58 PM  
**To:** Shovers, Marc; Kuesel, Jeffery  
**Cc:** Peterson, Ilsa  
**Subject:** FW: Bills to open

Can you draft Assembly versions for Representative Dexter on the following bills, thank you?

Marc Shovers: LRB-3219/2 relating to: creating a nonrefundable individual income tax credit for certain amounts relating to health savings accounts that may be deducted from, or are exempt from, federal income taxes.

Marc Shovers: LRB-3219/2 relating to: creating a nonrefundable individual income tax credit for certain amounts relating to health savings accounts that may be deducted from, or are exempt from, federal income taxes.

relating to: creating a nonrefundable individual income tax credit for certain amounts relating to health savings accounts that may be deducted from, or are exempt from, federal income taxes.



Keep

AMNR

## 2009 BILL

4

1 **AN ACT to create** 71.07 (6f) and 71.10 (4) (ce) of the statutes; **relating to:** creating  
 2 a nonrefundable individual income tax credit for certain amounts relating to  
 3 health savings accounts that may be deducted from, or are exempt from, federal  
 4 income taxes.

### *Analysis by the Legislative Reference Bureau*

Under current federal law, certain individuals may make tax-deductible contributions to health savings accounts (HSAs) and withdraw the money tax-free when needed to cover routine and preventive medical care.

Under this bill, an individual who makes contributions to such an HSA may claim a nonrefundable income tax credit for 6.5 percent of the allowable amount that the individual claims as a federal tax deduction for a contribution to an HSA or 6.5 percent of the federal tax-exempt earnings relating to an HSA, or both. The credit may not be claimed, however, by a single person, head of household, or married person who files a separate return if the person's Wisconsin adjusted gross income (AGI) exceeds 500 percent of the federal poverty level, or AGI in excess of 500 percent of the federal poverty level in the case of a married couple who files a joint return. The bill first applies to taxable years beginning on January 1, 2011.

**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.** 71.07 (6f) of the statutes is created to read:

2           **71.07 (6f) HEALTH SAVINGS ACCOUNT TAX CREDIT.** (a) *Definitions.* In this  
3 subsection:

4           1. “Claimant” means an individual who claims a deduction for a contribution  
5 to, or who claims federal tax–exempt earnings relating to, a health savings account  
6 under section 223 of the Internal Revenue Code.

7           2. “Deduction amount” means the allowable amount of a deduction claimed on  
8 a claimant’s federal income tax return for a contribution to a health savings account  
9 under section 223 of the Internal Revenue Code, or federal tax–exempt earnings  
10 relating to a health savings account under section 223 of the Internal Revenue Code.

11           3. “Poverty line” has the meaning given in s. 49.265 (1) (c).

12           (b) *Filing claims.* Subject to the limitations provided in this subsection, a  
13 claimant may claim as a credit against the tax imposed under s. 71.02, up to the  
14 amount of those taxes, 6.5 percent of the deduction amount claimed in the taxable  
15 year to which the claim under this subsection relates.

16           (c) *Limitations.* 1. No credit may be allowed under this subsection unless it  
17 is claimed within the time period under s. 71.75 (2).

18           2. For a claimant who is a nonresident or part–year resident of this state and  
19 who is a single person or a married person filing a separate return, multiply the  
20 credit for which the claimant is eligible under par. (b) by a fraction the numerator of  
21 which is the individual’s Wisconsin adjusted gross income and the denominator of

**BILL**

1 which is the individual's federal adjusted gross income. If a claimant is married and  
2 files a joint return, and if the claimant or the claimant's spouse, or both, are  
3 nonresidents or part-year residents of this state, multiply the credit for which the  
4 claimant is eligible under par. (b) by a fraction the numerator of which is the couple's  
5 joint Wisconsin adjusted gross income and the denominator of which is the couple's  
6 joint federal adjusted gross income.

7 3. No individual or couple may claim the credit under this subsection if any of  
8 the following applies:

9 a. For a single individual, head of household, or married person who files a  
10 separate income tax return, his or her adjusted gross income is more than 500  
11 percent of the federal poverty line.

12 b. For a married couple, who file a joint income tax return, their adjusted gross  
13 income is more than 500 percent of the federal poverty line.

14 (d) *Administration.* Subsection (9e) (d), to the extent that it applies to the credit  
15 under that subsection, applies to the credit under this subsection.

16 **SECTION 2.** 71.10 (4) (ce) of the statutes is created to read:

17 71.10 (4) (ce) The health savings account tax credit under s. 71.07 (6f).

18 **SECTION 3. Initial applicability.**

19 (1) This act first applies to taxable years beginning on January 1, 2011.

20 (END)

**Duerst, Christina**

---

**From:** Peterson, Ilsa

**Sent:** Monday, November 16, 2009 10:06 AM

**To:** LRB.Legal

**Subject:** Draft Review: LRB 09-3854/1 Topic: Nonrefundable individual income tax credit; health savings account contributions

Please Jacket LRB 09-3854/1 for the ASSEMBLY.

11/16/2009