



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 648	Assembly Amendments 1, 2, and 3
<i>Memo published:</i> February 19, 2010	<i>Contact:</i> Margit Kelley, Staff Attorney (266-9280)

2009 Assembly Bill 648 adopts federal law that allows taxpayers with adjusted gross incomes over \$100,000 to convert a traditional IRA to a Roth IRA, and allows the income tax from the conversion to be paid over two years, beginning with the 2010 tax year.

The bill also adopts the federal Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008, which gives certain military service members exceptions to IRA contribution and withdrawal limitations, health flexible spending account withdrawal limitations, and gross income inclusion requirements.

Assembly Amendment 1 makes corrections to the bill, as recommended by the Wisconsin Department of Revenue. It deletes the adoption of federal provisions that are irrelevant to Wisconsin taxation, and adopts the federal treatment of combat pay when computing the earned income credit.

Assembly Amendment 2 adopts federal law increases in the annual contribution limits to IRAs, removing the gap between Wisconsin and federal IRA contribution limits.

Assembly Amendment 3 adds a nonstatutory provision to the bill permitting enactment notwithstanding the minimum general fund balance required by s. 20.003 (4), Stats.

Companion Bill

This bill, with amendments, contains the same provisions as 2009 Senate Bill 439, as amended by Senate Amendments 1, 2, and 3 passed by the Senate on February 16, 2010.

Legislative History

Assembly Amendment 1 was offered by Representatives Molepske Jr. and Bernard Schaber on February 2, 2010. Assembly Amendment 2 was offered by Representatives Molepske Jr., Strachota, and Bernard Schaber on February 2, 2010. On February 3, 2010, the Assembly Committee on Jobs, the

Economy and Small Business recommended adoption of both amendments on votes of Ayes, 10; Noes, 0, and recommended passage of the bill, as amended, on a vote of Ayes, 10; Noes, 0.

Assembly Amendment 3 was offered by the Joint Committee on Finance on February 16, 2010. On February 17, 2010, the Joint Committee on Finance recommended adoption of all three amendments on votes of Ayes, 16; Noes, 0, and recommended passage of the bill, as amended, on a vote of Ayes, 15; Noes, 1.

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