



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2009 Senate Bill 106	Senate Substitute Amendment 1
<i>Memo published:</i> June 2, 2009	
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Current law provides a state income tax deduction for an amount paid into a college savings account or a college tuition and expenses program if the beneficiary of the account either is the claimant, or is the claimant's child and the claimant's dependent for federal tax purposes, grandchild, great-grandchild, niece, or nephew. The maximum amount of the deduction is \$3,000 per beneficiary by each contributor per year. In the case of a married couple filing a joint return, the total deduction per beneficiary by the married couple may not exceed \$3,000 per year.

Senate Bill 106 eliminates the provision in current law that refers to a dependent for federal tax purposes. In addition, the bill specifies that the maximum amount of the deduction is \$1,500 per beneficiary per year by each contributor who is married and files separately. Finally, the bill specifies that in the case of divorced parents, the total deduction per beneficiary per year by the formerly married couple, may not exceed \$3,000 and the maximum amount that may be deducted by each former spouse is \$1,500, unless the divorce judgment specifies a different division of the \$3,000 maximum that may be claimed by each former spouse.

Senate Substitute Amendment 1 provides a state income tax deduction of not more than \$3,000 per beneficiary per year by each contributor. The substitute amendment eliminates the requirement that the beneficiary of the account be a specified relative of the claimant. In addition, the substitute amendment eliminates the provision in current law that limits the total deduction for a married couple filing a joint return to \$3,000 per year.

Legislative History

The Senate Committee on Veterans and Military Affairs, Biotechnology, and Financial Institutions introduced the substitute amendment, recommended adoption of the substitute amendment, and recommended passage of the bill as amended, all on votes of Ayes, 5; Noes, 0.

RNS:jal