



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

March 16, 2011

MEMORANDUM

To: Senator Kedzie

From: Marc E. Shovers, Managing Attorney, (608) 266-0129

Subject: Technical Memorandum to **2011 SB 29** (LRB-0182/2) **by DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

The department's first point is a policy question and not a technical issue. The department's second point is a technical issue which I think should be addressed. I suggest deleting bill section 7, the initial applicability provision. I think that the in-text initial applicability provisions in bill sections one and two are all that are necessary.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 7, 2011

TO: Marc Shovers
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on Senate Bill 29: Expanding and Increasing the Tax Exemption for Retirement Plan Income Received by an Individual

The Department has the following concerns related to the bill:

The bill eliminates the age restriction for the retirement income exclusion. Thus young persons (even in their 20s) could withdraw amounts from their IRAs and such amounts would not be subject to tax or penalty. Is this the intent?

The initial applicability states for taxable years beginning on January 1, 2012. However, the elimination of the age and income restrictions first applies for taxable years beginning on January 1, 2013.

If you have any questions regarding this technical memorandum, please contact Brad Caruth at (608) 261-8984 or bradley.caruth@revenue.wi.gov.

cc: Senator Kedzie