



State of Wisconsin
2011 – 2012 LEGISLATURE



LRB-1112/2
MES:nwn:rs

2011 SENATE BILL 210

October 4, 2011 – Introduced by Senators ZIPPERER, DARLING and C. LARSON, cosponsored by Representatives A. OTT, STRACHOTA, BROOKS and HONADEL. Referred to Committee on Public Health, Human Services, and Revenue.

- 1 **AN ACT** *to create* 71.07 (8m) and 71.10 (4) (cs) of the statutes; **relating to:**
2 creating a nonrefundable individual income tax credit for certain amounts paid
3 for amino acid–based elemental formula.

Analysis by the Legislative Reference Bureau

This bill creates a nonrefundable individual income tax credit for 50 percent of the amount spent by a claimant for amino acid–based elemental formula. The formula is a type of hypoallergenic formula that may be recommended by a physician for use by a child who has a milk allergy and is unable to tolerate soy protein.

The credit may be claimed only for amounts spent to purchase formula, in the year to which the claim relates, for use by an individual who is claimed as a dependent on the claimant's federal income tax return, is under 19 years old, and whose physician certifies in writing that the individual should use such a formula.

The maximum credit amount that a claimant may claim each year for each dependent is \$5,000. The credit may not be claimed for any amount paid by the claimant that is reimbursable by any person.

Because the credit is nonrefundable, it may be claimed only up to the amount of a claimant's income tax liability. For claimants who are nonresidents or part–year residents of Wisconsin, the credit that may be claimed is prorated based on the ratio of the claimant's Wisconsin adjusted gross income to federal adjusted gross income.

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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 (8m) of the statutes is created to read:

2 71.07 **(8m)** AMINO ACID-BASED ELEMENTAL FORMULA TAX CREDIT. (a) *Definitions.*

3 In this subsection:

4 1. “Claimant” means an individual who files a claim under this subsection.

5 2. “Elemental formula” means an amino acid–based elemental formula.

6 3. “Physician” means a person licensed to practice medicine and surgery under
7 ch. 448.

8 4. “Treated individual” means an individual who is a dependent, under section
9 151 (c) of the Internal Revenue Code, of a claimant and is under 19 years of age at
10 the close of the taxable year to which the claim relates.

11 (b) *Filing claims.* Subject to the limitations provided in this subsection, a
12 claimant may claim as a credit against the tax imposed under s. 71.02, up to the
13 amount of those taxes, an amount equal to 50 percent of any amount paid for
14 elemental formula in the year to which the claim relates if the elemental formula is
15 for the use of a treated individual.

16 (c) *Limitations.* 1. The maximum credit that may be claimed each year under
17 this subsection by a claimant is \$5,000 for each treated individual.

18 2. No credit may be allowed under this subsection unless it is claimed within
19 the time period under s. 71.75 (2).

20 3. No credit may be allowed under this subsection for an amount paid by a
21 claimant if that amount is reimbursable by any person.

