AN ACT to create 71.98 (2) of the statutes; relating to: adopting federal law as it relates to excluding from an employee's income certain payments from an employer related to medical care.

Analysis by the Legislative Reference Bureau

This bill adopts, for state income and franchise tax purposes, a provision in the Internal Revenue Code that relates to exempting from taxation certain payments made by an employer to an employee to reimburse the employee for costs he or she has paid for medical care for the employee's adult child.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the 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:

SECTION 1. 71.98 (2) of the statutes is created to read:

71.98 (2) IMPUTED INCOME; EMPLOYER PAYMENTS TO EMPLOYEES FOR MEDICAL CARE.
related to amounts paid by an employer to an employee to reimburse the employee
for costs paid by him or her for medical care for the employee’s adult child.

**SECTION 2. Initial applicability.**

(1) This act first applies to taxable years beginning on January 1 of the year
in which this subsection takes effect, except that if this subsection takes effect after
July 31 this act first applies to taxable years beginning on January 1 of the year
following the year in which this subsection takes effect.

(END)