

2015 DRAFTING REQUEST

Bill

Received: 1/5/2016 Received By: mshovers  
 For: John Macco (608) 266-0485 Same as LRB: -4424  
 May Contact: Brian Larson, Leg. Council By/Representing: Ben  
 Subject: State Govt - miscellaneous Drafter: mshovers  
 Tax, Individual - dedct/sbtrct Addl. Drafters:  
 Extra Copies:

Submit via email: YES  
 Requester's email: Rep.Macco@legis.wisconsin.gov  
 Carbon copy (CC) to: cathlene.hanaman@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

No Wisconsin ABLE accounts; allow deduction for contributions to any state's qualified plan

Instructions:

See attached. Remove authority for state creation of ABLE accounts. Allow WI residents to get a deduction for contributions to any state's qualified ABLE plan

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	mshovers 1/12/2016	aernstr 1/8/2016	_____	sbasford 1/8/2016		State S&L Tax
/P2	mshovers 1/13/2016	aernstr 1/13/2016	_____	sbasford 1/13/2016		State S&L Tax
/1		aernstr	_____	sbasford	sbasford	State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u> 1/13/2016	<u>Proofed</u> _____	<u>Submitted</u> 1/13/2016	<u>Jacketed</u> 1/13/2016	<u>Required</u> S&L Tax
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FE Sent For:

@  
INTRO  
(Comparison)

<END>

**2015 DRAFTING REQUEST**

**Bill**

Received: **1/5/2016** Received By: **mshovers**  
For: **John Macco (608) 266-0485** Same as LRB:  
May Contact: **Brian Larson, Leg. Council** By/Representing: **Ben**  
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Submit via email: **YES**  
Requester's email: **Rep.Macco@legis.wisconsin.gov**  
Carbon copy (CC) to: **cathlene.hanaman@legis.wisconsin.gov**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

No Wisconsin ABLE accounts; allow deduction for contributions to any state's qualified plan

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See attached. Remove authority for state creation of ABLE accounts. Allow WI residents to get a deduction for contributions to any state's qualified ABLE plan

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/P1	mshovers 1/12/2016	aernstr 1/8/2016	_____	sbasford 1/8/2016		State S&L Tax
/P2		aernstr 1/13/2016	_____	sbasford 1/13/2016		State S&L Tax

11 MEs 1/13/16

Jacket for (A)

FE Sent For:

**<END>**

Rep. Macco

4/9/16

ABLE

sd 60364

- 1) get vid of ch. 16 structure
- 2) Allow tax deduction for amounts contributed to an ABLE account that's qualified by ~~the~~ under the IRC & created by any state

may talk to Brian Larson



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-4270/P1

MES...  
ahe

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

WANTED  
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1 AN ACT ...; relating to: requiring the secretary of the department of  
2 administration to make this state a contracting state under the federal ABLE  
3 law.

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***Analysis by the Legislative Reference Bureau***

→ This bill requires the secretary of the department of administration to take whatever action is necessary to ensure that this state becomes, and continues to be, a contracting state under the federal Achieving a Better Life Experience Act of 2014. Once this state becomes a contracting state, an eligible resident of this state may participate in a qualified ABLE program of another state and establish an ABLE account. The proceeds of an ABLE account may be used to pay for qualified expenses, such as education, housing, and transportation costs, for a beneficiary who is an individual with disabilities, as defined under federal law.

2015 Wisconsin Act 55, the state budget bill, authorized the creation of ABLE accounts in this state. Generally, contributions to such an account could be subtracted from the contributor's federal adjusted gross income in the calculation of the taxpayer's Wisconsin taxes. This bill repeals the provisions which authorized the creation of ABLE accounts in this state, although contributions to another state's ABLE account, once this state becomes a contracting state, continue to be tax-advantaged.

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 and local* 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.~~ 16.643 of the statutes, as created by 2015 Wisconsin Act 55, is  
2 repealed and recreated to read:

3       **16.643 Support accounts for persons with disabilities.** (1) The secretary  
4 of the department of administration shall take whatever action is necessary to make  
5 this state a contracting state, as defined in section 529A (e) (7) of the Internal  
6 Revenue Code, and to ensure that this state remains a contracting state.

7       (2) Upon the death of an account owner whose account is part of a qualified  
8 ABLE program under section 529A of the Internal Revenue Code, the account shall  
9 terminate, and upon such termination any amount remaining in the account shall  
10 be recoverable by the state under s. 49.849 as property of a decedent that is  
11 recoverable under that statute. Any amount that remains in the account following  
12 such recovery under s. 49.849 shall be paid to the account owner's estate. Recovery  
13 authorized under this subsection may relate only to public assistance received by a  
14 beneficiary on and after the date on which an account is established under the terms  
15 of a contract between this state and another state as described under sub. (1).

16       ~~SECTION 2.~~ 16.643 of the statutes is repealed.

17       ~~SECTION 3.~~ 71.05 (6) (a) 27. of the statutes, as created by 2015 Wisconsin Act  
18 55, is amended to read:

19       71.05 (6) (a) 27. Except as provided in subd. 28., any accumulated interest,  
20 dividends, or other gain that accrues from an account described under s. 16.643  
21 established under a qualified ABLE program, as described under section 529A (b) (1)

1 of the Internal Revenue Code, during the taxable year in which a withdrawal occurs  
 2 from such an account if any amount of the money or other assets in the account is  
 3 withdrawn by, or at the direction of, an account owner for any reason other than the  
 4 payment of qualified disability expenses, as defined in s. 16.643 (1) (e) section 529A  
 5 (e) (5) of the Internal Revenue Code, for the account beneficiary.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 19, 20, 128, 145; 2013 a. 166 s. 76; 2013 a. 173, 227; 2015 a. 55, 60, 84; s. 35.17 correction in (13) (a) 2.

6 ~~SECTION 4.~~ **SECTION 4.** 71.05 (6) (a) 28. of the statutes, as created by 2015 Wisconsin Act  
 7 55, is amended to read:

8 71.05 (6) (a) 28. Upon the termination of an account as described under s.  
 9 16.643 (3) (d) (2), any amount in the account that is returned to ~~an account owner,~~  
 10 ~~or~~ an account owner's estate.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 19, 20, 128, 145; 2013 a. 166 s. 76; 2013 a. 173, 227; 2015 a. 55, 60, 84; s. 35.17 correction in (13) (a) 2.

11 ~~SECTION 5.~~ **SECTION 5.** 71.05 (6) (b) 52. of the statutes, as created by 2015 Wisconsin Act  
 12 55, is amended to read:

13 71.05 (6) (b) 52. Subject to the limits under s. 16.643 (3) (e) 1. and 2. section  
 14 529A (b) (2) of the Internal Revenue Code, any amount that is deposited by an  
 15 account owner or any other person into an ABLE account described under s. 16.643  
 16 section 529A (b) (1) of the Code, and any interest, dividends, or other gain that  
 17 accrues in the account if the interest, dividends, or other gain is redeposited into the  
 18 account.

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2, 28, 205, 265, 269, 276, 295, 332, 344; 2011 a. 3, 5, 10, 32, 212, 232, 237; 2011 a. 260 ss. 80, 81; 2013 a. 19, 20, 128, 145; 2013 a. 166 s. 76; 2013 a. 173, 227; 2015 a. 55, 60, 84; s. 35.17 correction in (13) (a) 2.

19 ~~SECTION 6.~~ **SECTION 6.** 71.07 (5) (a) 9. of the statutes, as created by 2015 Wisconsin Act 55,  
 20 is amended to read:





## Shovers, Marc

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**From:** Shovers, Marc  
**Sent:** Tuesday, January 12, 2016 3:53 PM  
**To:** Shovers, Marc  
**Subject:** FW: Bill Draft

From H.R. 2029: Consolidated Appropriations Act of 2016.

### SEC. 303. ELIMINATION OF RESIDENCY REQUIREMENT FOR QUALIFIED ABLE PROGRAMS.

(a) **IN GENERAL.**—Section 529A(b)(1) is amended by striking subparagraph (C), by inserting “and” at the end of subparagraph (B), and by redesignating subparagraph (D) as subparagraph (C).

(b) **CONFORMING AMENDMENTS.**—

(1) The second sentence of section 529A(d)(3) is amended by striking “and State of residence”.

(2) Section 529A(e) is amended by striking paragraph (7).

(c) **TECHNICAL AMENDMENTS.**—

(1) Section 529A(d)(4) is amended by striking “section 4” and inserting “section 103”.

(2) Section 529A(c)(1)(C)(i) is amended by striking “family member” and inserting “member of the family”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2014.

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**From:** Shovers, Marc  
**Sent:** Monday, January 11, 2016 4:20 PM  
**To:** Joniaux, Benjamin <Benjamin.Joniaux@legis.wisconsin.gov>  
**Subject:** RE: Bill Draft

Thanks, Ben. I'll get the redraft out as quickly as I can.

Marc

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**From:** Joniaux, Benjamin  
**Sent:** Monday, January 11, 2016 12:36 PM  
**To:** Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>  
**Subject:** RE: Bill Draft

This provision was recently changed as part of the Tax Extenders bill signed into law. Section 303 of the bill states:

SEC. 303. ELIMINATION OF RESIDENCY REQUIREMENT FOR 12 QUALIFIED ABLE PROGRAMS. 13 (a) **IN GENERAL.**—Section 529A(b)(1) is amended by 14 striking subparagraph (C), by inserting “and” at the end 15 of subparagraph (B), and by redesignating subparagraph 16 (D) as subparagraph (C). 17 (b) **CONFORMING AMENDMENTS.**— 18 (1) The second sentence of section 529A(d)(3) 19 is amended by striking “and State of residence”. 20 (2) Section 529A(e) is amended by striking 21 paragraph (7). 22 (c) **TECHNICAL AMENDMENTS.**— 23 (1) Section 529A(d)(4) is amended by striking 24 “section 4” and inserting “section 103”. VerDate Nov 24 2008 23:54 Dec 15, 2015 Jkt 000000 PO 00000 Frm 00124 Fmt 6652 Sfmt 6201 C:\USERS\HHALPERN\APPDATA\ROAMING\SOFTQUAD\XMETAL\7.0\GEN\C\121515.250 December 15, 2015 (11:54 p.m.) C:\USERS\HHALPERN\DESKTOP\121515.250.XML L:\vr\121515\R121515.006.xml 125 H.L.C. 1 (2)

Section 529A(c)(1)(C)(i) is amended by 2 striking "family member" and inserting "member of 3 the family". 4 (d) EFFECTIVE DATE.—The amendments made by 5 this section shall apply to taxable years beginning after 6 December 31, 2014.

entire bill: [http://docs.house.gov/billsthisweek/20151214/121515.250\\_xml.pdf](http://docs.house.gov/billsthisweek/20151214/121515.250_xml.pdf)

We are writing the bill here because of this change.

**Ben Joniaux**

Legislative Aide

Office of Representative John Macco

22 West, State Capitol

Phone: 608-266-0485

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**From:** Shovers, Marc

**Sent:** Monday, January 11, 2016 12:24 PM

**To:** Joniaux, Benjamin <[Benjamin.Joniaux@legis.wisconsin.gov](mailto:Benjamin.Joniaux@legis.wisconsin.gov)>

**Subject:** RE: Bill Draft

Hi Ben:

I think to be able to participate in a qualified ABLE program, the designated beneficiary must be a resident of the state in which the program exists, or a resident of a contracting state. Here are the citations from the IRC:

26 USC 529A (b) (1) (C) and (e) (7):

**((b) Qualified ABLE program**

For purposes of this section-

**(1) In general**

The term "qualified ABLE program" means a program established and maintained by a State, or agency or instrumentality thereof-

(A) under which a person may make contributions for a taxable year, for the benefit of an individual who is an eligible individual for such taxable year, to an ABLE account which is established for the purpose of meeting the qualified disability expenses of the designated beneficiary of the account,

(B) which limits a designated beneficiary to 1 ABLE account for purposes of this section,

(C) which allows for the establishment of an ABLE account only for a designated beneficiary who is a resident of such State or a resident of a contracting State, and

**(e) Other definitions and special rules**

For purposes of this section-

**(7) Contracting State**

The term "contracting State" means a State without a qualified ABLE program which has entered into a contract with a State with a qualified ABLE program to provide residents of the contracting State access to a qualified ABLE program

You can find the complete section, 529A, here:

[http://uscode.house.gov/view.xhtml?req=\(title:26%20section:529A%20edition:prelim\)](http://uscode.house.gov/view.xhtml?req=(title:26%20section:529A%20edition:prelim))

Unless this section of the IRC has been updated and the cite I used has not been updated, I think a state's qualified ABLE program is available only to its residents or the residents of a contracting state.

Please let me know if you have any further questions.

Thanks,

Marc

Marc Shovers  
Senior Legislative Attorney  
Legislative Reference Bureau  
608-266-0129  
[marc.shovers@legis.wisconsin.gov](mailto:marc.shovers@legis.wisconsin.gov)

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**From:** Joniaux, Benjamin  
**Sent:** Monday, January 11, 2016 11:55 AM  
**To:** Shovers, Marc <[Marc.Shovers@legis.wisconsin.gov](mailto:Marc.Shovers@legis.wisconsin.gov)>  
**Subject:** Bill Draft

Marc,

The draft looks good, although it mentions "contracting". It's our understanding that the state would not have to contract with other states, but that people who want to open able accounts would be able to open them up in any state.

Could you please revise this language and get back to us as soon as possible?

Thanks,

**Ben Joniaux**  
Legislative Aide  
Office of Representative John Macco  
22 West, State Capitol



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-4270/P1  
MES:ahc

P2

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

WANTED  
wed.

rezen

INS 1-4

sa ✓

1 AN ACT to amend 71.05 (6) (a) 27., 71.05 (6) (a) 28., 71.05 (6) (b) 52. and 71.07  
2 (5) (a) 9.; and to repeal and recreate 16.643 of the statutes; relating to:  
3 requiring the secretary of the Department of Administration to make this state  
4 a contracting state under the federal ABLÉ law.

**Analysis by the Legislative Reference Bureau**

INS  
ANL

This bill requires the secretary of the Department of Administration to take whatever action is necessary to ensure that this state becomes, and continues to be, a contracting state under the federal Achieving a Better Life Experience Act of 2014. ~~Once this state becomes a contracting state,~~ an eligible resident of this state may participate in a qualified ABLÉ program of another state and establish an ABLÉ account. The proceeds of an ABLÉ account may be used to pay for qualified expenses, such as education, housing, and transportation costs, for a beneficiary who is an individual with disabilities, as defined under federal law.

2015 Wisconsin Act 55, the state budget bill, authorized the creation of ABLÉ accounts in this state. Generally, contributions to such an account could be subtracted from the contributor's federal adjusted gross income in the calculation of the taxpayer's Wisconsin taxes. This bill repeals the provisions which authorized the creation of ABLÉ accounts in this state, although contributions to another state's ABLÉ account, ~~once this state becomes a contracting state,~~ continue to be tax-advantaged.

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 and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 16.643 of the statutes, as created by 2015 Wisconsin Act 55, is  
2 repealed and recreated to read:

3           **16.643 Support accounts for persons with disabilities.** (1) The secretary  
4 shall take whatever action is necessary to make this state a contracting state, as  
5 defined in section 529A (e) (7) of the Internal Revenue Code, and to ensure that this  
6 state remains a contracting state.

7           (2) Upon the death of an account owner whose account is part of a qualified  
8 ABLE program under section 529A of the Internal Revenue Code, the account shall  
9 terminate, and upon such termination any amount remaining in the account shall  
10 be recoverable by the state under s. 49.849 as property of a decedent that is  
11 recoverable under that statute. Any amount that remains in the account following  
12 such recovery under s. 49.849 shall be paid to the account owner's estate. Recovery  
13 authorized under this subsection may relate only to public assistance received by a  
14 beneficiary on and after the date on which an account is established under the terms  
15 of a contract between this state and another state as described under sub. (1).

16           **SECTION 2.** 71.05 (6) (a) 27. of the statutes, as created by 2015 Wisconsin Act  
17 55, is amended to read:

18           71.05 (6) (a) 27. Except as provided in subd. 28., any accumulated interest,  
19 dividends, or other gain that accrues from an account described under s. 16.643  
20 established under a qualified ABLE program, as described under section 529A (b) (1)  
21 of the Internal Revenue Code, during the taxable year in which a withdrawal occurs

1 from such an account if any amount of the money or other assets in the account is  
2 withdrawn by, or at the direction of, an account owner for any reason other than the  
3 payment of qualified disability expenses, as defined in ~~s. 16.643 (1) (e)~~ section 529A  
4 (e) (5) of the Internal Revenue Code, for the account beneficiary.

5 **SECTION 3.** 71.05 (6) (a) 28. of the statutes, as created by 2015 Wisconsin Act  
6 55, is amended to read:

7 71.05 (6) (a) 28. Upon the termination of an account as described under s.  
8 16.643 (3) (d) (2), any amount in the account that is returned to ~~an account owner,~~  
9 ~~or~~ an account owner's estate.

10 **SECTION 4.** 71.05 (6) (b) 52. of the statutes, as created by 2015 Wisconsin Act  
11 55, is amended to read:

12 71.05 (6) (b) 52. Subject to the limits under ~~s. 16.643 (3) (e) 1. and 2.~~ section  
13 529A (b) (2) of the Internal Revenue Code, any amount that is deposited by an  
14 account owner or any other person into an ABLE account described under ~~s. 16.643~~  
15 section 529A (b) (1) of the Internal Revenue Code, and any interest, dividends, or  
16 other gain that accrues in the account if the interest, dividends, or other gain is  
17 redeposited into the account.

18 **SECTION 5.** 71.07 (5) (a) 9. of the statutes, as created by 2015 Wisconsin Act 55,  
19 is amended to read:

20 71.07 (5) (a) 9. The amount claimed as a deduction for unreimbursed medical  
21 expenses under section 213 (a) of the Internal Revenue Code to the extent that the  
22 funds used to pay for the unreimbursed expenses for which the deduction was  
23 claimed were withdrawn from an ABLE account described under ~~s. 16.643~~ section  
24 529A (b) (1) of the Internal Revenue Code.

25 **SECTION 6. Initial applicability.**





**2015-2016 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4270/P2ins  
MES:ahc

INS 1-4

repealing the authority to create A<sup>✓</sup>BLE accounts in this state and creating tax  
benefits for contributions to A<sup>✓</sup>BLE accounts in other states

INS ANL

This bill makes changes to the laws in this state related to the federal Achieving  
a Better Life Experience Act of 2014. Under federal law,

## Shovers, Marc

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**From:** Coenen, Scott  
**Sent:** Wednesday, January 13, 2016 1:41 PM  
**To:** Shovers, Marc  
**Cc:** Joniaux, Benjamin  
**Subject:** RE: ABLE bill

Marc,

Just to confirm from our side that we'd like a senate companion.

Thank you!

~Scott

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**From:** Joniaux, Benjamin  
**Sent:** Wednesday, January 13, 2016 1:39 PM  
**To:** Shovers, Marc <Marc.Shovers@legis.wisconsin.gov>  
**Cc:** Coenen, Scott <Scott.Coenen@legis.wisconsin.gov>  
**Subject:** ABLE bill

Marc,

Bill draft looks great. Can you please send the jacket over and give Scott in Marklein's office drafting authority on the bill for a Senate companion.

Thank you,

**Ben Joniaux**  
Legislative Aide  
Office of Representative John Macco  
22 West, State Capitol  
Phone: 608-266-0485



State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-4270/P2

MES:ahc

RMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

today

no changes  
Jacket for (A)

gm

1 AN ACT *to amend* 71.05 (6) (a) 27., 71.05 (6) (a) 28., 71.05 (6) (b) 52. and 71.07  
2 (5) (a) 9.; and *to repeal and recreate* 16.643 of the statutes; **relating to:**  
3 repealing the authority to create ABLE accounts in this state and creating tax  
4 benefits for contributions to ABLE accounts in other states.

***Analysis by the Legislative Reference Bureau***

This bill makes changes to the laws in this state related to the federal Achieving a Better Life Experience Act of 2014. Under federal law, an eligible resident of this state may participate in a qualified ABLE program of another state and establish an ABLE account. The proceeds of an ABLE account may be used to pay for qualified expenses, such as education, housing, and transportation costs, for a beneficiary who is an individual with disabilities, as defined under federal law.

2015 Wisconsin Act 55, the state budget bill, authorized the creation of ABLE accounts in this state. Generally, contributions to such an account could be subtracted from the contributor's federal adjusted gross income in the calculation of the taxpayer's Wisconsin taxes. This bill repeals the provisions which authorized the creation of ABLE accounts in this state, although contributions to another state's ABLE account continue to be tax-advantaged.

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 and local* fiscal estimate, which will be printed as an appendix to this bill.

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4 of an account owner whose account is part of a qualified ABLE program under section  
5 529A of the Internal Revenue Code, the account shall terminate, and upon such  
6 termination any amount remaining in the account shall be recoverable by the state  
7 under s. 49.849 as property of a decedent that is recoverable under that statute. Any  
8 amount that remains in the account following such recovery under s. 49.849 shall be  
9 paid to the account owner's estate. Recovery authorized under this subsection may  
10 relate only to public assistance received by a beneficiary on and after the date on  
11 which an account is established under the terms of a contract between this state and  
12 another state as described under sub. (1).

13           **SECTION 2.** 71.05 (6) (a) 27. of the statutes, as created by 2015 Wisconsin Act  
14 55, is amended to read:

15           71.05 (6) (a) 27. Except as provided in subd. 28., any accumulated interest,  
16 dividends, or other gain that accrues from an account ~~described under s. 16.643~~  
17 established under a qualified ABLE program, as described under section 529A (b) (1)  
18 of the Internal Revenue Code, during the taxable year in which a withdrawal occurs  
19 from such an account if any amount of the money or other assets in the account is  
20 withdrawn by, or at the direction of, an account owner for any reason other than the

1 payment of qualified disability expenses, as defined in ~~s. 16.643 (1) (e)~~ section 529A  
2 (e) (5) of the Internal Revenue Code, for the account beneficiary.

3 **SECTION 3.** 71.05 (6) (a) 28. of the statutes, as created by 2015 Wisconsin Act  
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5 71.05 (6) (a) 28. Upon the termination of an account as described under s.  
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10 71.05 (6) (b) 52. Subject to the limits under ~~s. 16.643 (3) (e) 1. and 2.~~ section  
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12 account owner or any other person into an ABLE account described under ~~s. 16.643~~  
13 section 529A (b) (1) of the Internal Revenue Code, and any interest, dividends, or  
14 other gain that accrues in the account if the interest, dividends, or other gain is  
15 redeposited into the account.

16 **SECTION 5.** 71.07 (5) (a) 9. of the statutes, as created by 2015 Wisconsin Act 55,  
17 is amended to read:

18 71.07 (5) (a) 9. The amount claimed as a deduction for unreimbursed medical  
19 expenses under section 213 (a) of the Internal Revenue Code to the extent that the  
20 funds used to pay for the unreimbursed expenses for which the deduction was  
21 claimed were withdrawn from an ABLE account described under ~~s. 16.643~~ section  
22 529A (b) (1) of the Internal Revenue Code.

23 **SECTION 6. Initial applicability.**

24 (1) The treatment of sections 71.05 (6) (a) 27. and 28. and (b) 52. and 71.07 (5)  
25 (a) 9. of the statutes first applies to taxable years beginning on January 1 of the year

1 in which this subsection takes effect, except that if this subsection takes effect after  
2 July 31, the treatment of sections 71.05 (6) (a) 27. and 28. and (b) 52. and 71.07 (5)  
3 (a) 9. of the statutes first applies to taxable years beginning on January 1 of the year  
4 following the year in which this subsection takes effect.

5

**(END)**