

2019 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB56)

For: John Nygren (608) 266-2343 Drafter: mshovers
By: Waylon Secondary Drafters:
Date: 6/21/2019 May Contact:

Same as LRB:

Submit via email: YES
Requester's email: Rep.Nygren@legis.wisconsin.gov
Carbon copy (CC) to: Erika.Lunder@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Delete medical care insurance subtraction and repeal of certain obsolete statutes

Instructions:

Delete LRB -1823/P2

Drafting History:

Table with 6 columns: Vers., Drafted, Reviewed, Submitted, Jacketed, Required. It lists two versions, /P1 and /P2, with associated drafters and dates.

FE Sent For: <END>

1823  
Vbi - 1823

West 120  
71.05(6)(b) 36  
37  
39  
40  
41

## Eliminate the Capital Gains Exclusion.

- The Governor proposed limited the capital gains exclusion to married couples with incomes below \$150,000 and single below \$75,000. This effectively eliminates the exclusion. This increased revenues by \$505.1 million over the biennium.
- The JCF removed this from consideration.
- A partial veto could eliminate this exclusion for anyone.
- This would increase state revenues which could then be spent through a sum sufficient for something like K-12 through a separate veto.

**SECTION 866.** 71.05 (6) (b) 39. of the statutes is repealed.

Capital gains  
exclusion

look at larger drops



AA to AAA to AB50

NY green

Waylon  
or  
not

what needs to come out 2

repeal § 71.05 (b) (b) 301

take out bill § 866



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBb0542/P1

MES:...

ahc

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION  
ASSEMBLY AMENDMENT ,  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO ASSEMBLY BILL 56**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 378, line 12: delete that line.

3 (END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1823/P2  
EKL:ahe

DOA:.....Quinn, BB0292 - Medical care insurance subtraction for  
self-employed persons

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

1 **AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**INCOME TAXATION**

***1. Modification to medical care insurance subtraction***

This bill changes how nonresidents and part-year residents calculate the subtraction for medical care insurance premiums that self-employed individuals may claim for income tax purposes. Under current law, the subtraction is prorated based on the individual's share of income earned from a trade or business that is taxable in Wisconsin. Under the bill, the subtraction is prorated based on the individual's share of total income that is taxable in Wisconsin, not just the earnings from a trade or business. The bill also repeals several provisions that provided a subtraction for medical care insurance premiums but are no longer operable.

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.

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

1           **SECTION 1.** 71.05 (6) (b) 17. of the statutes is repealed.

2           **SECTION 2.** 71.05 (6) (b) 18. of the statutes is repealed.

3           **SECTION 3.** 71.05 (6) (b) 19. c. of the statutes is amended to read:

4           71.05 (6) (b) 19. c. For taxable years beginning before January 1, 2020, for a  
5 person who is a nonresident or a part-year resident of this state, modify the amount  
6 calculated under subd. 19. b. by multiplying the amount by a fraction the numerator  
7 of which is the person's net earnings from a trade or business that are taxable by this  
8 state and the denominator of which is the person's total net earnings from a trade  
9 or business.

10          **SECTION 4.** 71.05 (6) (b) 19. cm. of the statutes is created to read:

11          71.05 (6) (b) 19. cm. For taxable years beginning after December 31, 2019, for  
12 a person who is a nonresident or a part-year resident of this state, modify the amount  
13 calculated under subd. 19. b. by multiplying the amount by a fraction the numerator  
14 of which is the person's wages, salary, tips, unearned income, and net earnings from  
15 a trade or business that are taxable by this state and the denominator of which is the  
16 person's total wages, salary, tips, unearned income, and net earnings from a trade  
17 or business. In this subdivision, for married persons filing separately "wages, salary,  
18 tips, unearned income, and net earnings from a trade or business" means the  
19 separate wages, salary, tips, unearned income, and net earnings from a trade or  
20 business of each spouse, and for married persons filing jointly "wages, salary, tips,  
21 unearned income, and net earnings from a trade or business" means the total wages,

1 salary, tips, unearned income, and net earnings from a trade or business of both  
2 spouses.

3 **SECTION 5.** 71.05 (6) (b) 19. d. of the statutes is amended to read:

4 71.05 (6) (b) 19. d. ~~Reduce~~ For taxable years beginning before January 1, 2020,  
5 reduce the amount calculated under subd. 19. b. or c. to the person's aggregate net  
6 earnings from a trade or business that are taxable by this state.

7 **SECTION 6.** 71.05 (6) (b) 19. dm. of the statutes is created to read:

8 71.05 (6) (b) 19. dm. For taxable years beginning after December 31, 2019,  
9 reduce the amount calculated under subd. 19. b. or cm. to the person's aggregate  
10 wages, salary, tips, unearned income, and net earnings from a trade or business that  
11 are taxable by this state.

12 **SECTION 7.** 71.05 (6) (b) 20. of the statutes is repealed.

13 **SECTION 8.** 71.05 (6) (b) 36. of the statutes is repealed.

14 **SECTION 9.** 71.05 (6) (b) 37. of the statutes is repealed.

15 **SECTION 10.** 71.05 (6) (b) 39. of the statutes is repealed.

16 **SECTION 11.** 71.05 (6) (b) 40. of the statutes is repealed.

17 **SECTION 12.** 71.05 (6) (b) 41. of the statutes is repealed.

18 **SECTION 13.** 71.07 (5) (a) 15. of the statutes is amended to read:

19 71.07 (5) (a) 15. The amount claimed as a deduction for medical care insurance  
20 under section 213 of the Internal Revenue Code that is exempt from taxation under  
21 s. 71.05 (6) (b) ~~17. to 20. 19., 35., 36., 37., 38., 39., 40., 41.,~~ and 42. and the amount  
22 claimed as a deduction for a long-term care insurance policy under section 213 (d)  
23 (1) (D) of the Internal Revenue Code, as defined in section 7702B (b) of the Internal  
24 Revenue Code that is exempt from taxation under s. 71.05 (6) (b) 26.

25

(END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBb0542/P2

MES:ahc

A handwritten signature, possibly 'RMA', enclosed in a circle.

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**  
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**TO ASSEMBLY SUBSTITUTE AMENDMENT 1,**  
**TO ASSEMBLY BILL 56**

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3 (END)





**2019-2020 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBb0542/P2ins  
MES:ahe

- 1           **1.** Page 377, line 1: delete the material beginning with that line and ending
- 2           with the material on page 378, line 14.
- 3           **2.** Page 379, line 4: delete lines 4 to 10.

(END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBb0542/P2  
MES:ahe

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