



**SENATE SUBSTITUTE AMENDMENT 1,  
TO 1995 ASSEMBLY BILL 591**

March 13, 1996 - Offered by Senators GEORGE, MOORE and WINEKE.

1 **AN ACT to create** 49.02 (13), 49.193 (12), 49.20 (5), 49.25 (10) and 49.27 (13) of  
2 the statutes; **relating to:** eliminating the aid to families with dependent  
3 children program and the relief block grant program and creating a committee  
4 to study a replacement for public assistance programs with a negative income  
5 tax system.

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

6 **SECTION 1.** 49.02 (13) of the statutes is created to read:  
7 49.02 (13) SUNSET. Beginning on January 1, 1999, no person is eligible to  
8 receive relief under s. 49.025, 49.027 or 49.029 and no relief under s. 49.025, 49.027  
9 or 49.029 may be granted. No additional notice, other than enactment of this  
10 subsection, is required to be given to recipients of relief under s. 49.025, 49.027 or  
11 49.029 to terminate their benefits under s. 49.025, 49.027 or 49.029.

12 **SECTION 2.** 49.193 (12) of the statutes is created to read:  
13 49.193 (12) SUNSET. Beginning on January 1, 1999, no person is eligible to  
14 receive benefits under this section and no aid may be granted under this section. No

1 additional notice, other than enactment of this subsection, is required to be given to  
2 recipients of aid under this section to terminate their benefits under this subsection.

3 **SECTION 3.** 49.20 (5) of the statutes is created to read:

4 49.20 (5) SUNSET. Beginning on January 1, 1999, no person is eligible to receive  
5 benefits under this section and no aid may be granted under this section. No  
6 additional notice, other than enactment of this subsection, is required to be given to  
7 recipients of aid under this section to terminate their benefits under this subsection.

8 **SECTION 4.** 49.25 (10) of the statutes is created to read:

9 49.25 (10) SUNSET. Beginning on January 1, 1999, no person is eligible to  
10 receive benefits under this section and no aid may be granted under this section. No  
11 additional notice, other than enactment of this subsection, is required to be given to  
12 recipients of aid under this section to terminate their benefits under this subsection.

13 **SECTION 5.** 49.27 (13) of the statutes is created to read:

14 49.27 (13) SUNSET. Beginning on January 1, 1999, no person is eligible to  
15 receive benefits under this section and no aid may be granted under this section. No  
16 additional notice, other than enactment of this subsection, is required to be given to  
17 recipients of aid under this section to terminate their benefits under this subsection.

18 **SECTION 6. Nonstatutory provisions.**

19 (1) NEGATIVE INCOME TAX PROPOSAL.

20 (a) Not later than August 1, 1996, a committee shall be created to develop  
21 legislation that replaces this state's current public assistance programs by January  
22 1, 1999, and replaces these programs with a negative income tax system. The  
23 committee shall consist of 6 members, 2 of whom shall be senators appointed by the  
24 majority leader of the senate, one of whom shall be a senator appointed by the  
25 minority leader of the senate, 2 of whom shall be representatives to the assembly

1 appointed by the speaker of the assembly and one of whom shall be a representative  
2 to the assembly appointed by the minority leader of the assembly. The legislation  
3 shall be ready for introduction on March 15, 1997.

4 (b) The committee appointed under paragraph (a) shall work with the  
5 department of revenue, the department of industry, labor and job development and  
6 the department of health and family services to develop the negative income tax  
7 proposal.

8 (c) The negative income tax proposal shall contain at least all of the following  
9 components:

10 1. A method, based on family size, to provide, in addition to food stamps and  
11 other federal benefits, a basic allowance for low-income individuals and families  
12 that is adequate to provide for the basic needs of the individuals or families. "Basic  
13 needs" includes food, clothing, shelter, medical care, child care and other necessities.

14 2. A method to coordinate the negative income tax with existing programs, or  
15 with new programs that are created as part of the negative income tax proposal, that  
16 provide medical care and child care assistance for low-income individuals and  
17 families.

18 3. A structure that ensures that the negative income tax proposal provides  
19 financial incentives for individuals to engage in nonsubsidized employment and  
20 investment and encourages individuals to seek higher earnings through  
21 employment and investment.

22 4. An analysis of the impact of the negative income tax proposal on the state's  
23 economy.

24 (END)