



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2015 Wisconsin Act 312 [2015 Assembly Bill 731]	ABLE Accounts
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2015 Wisconsin Act 312 modifies provisions in 2015 Wisconsin Act 55 (the Biennial Budget Act) authorizing the creation of an account under the federal Achieving a Better Life Experience Act of 2014 (an ABLA Account).

ABLE ACCOUNTS

Under federal law, an ABLA Account may be established for a beneficiary who has become blind or severely disabled prior to age 26. Nontaxable withdrawals of ABLA account proceeds are allowed for qualified expenses, such as education, housing, and transportation costs. A balance of up to \$100,000 is disregarded for Medicaid eligibility purposes.

BIENNIAL BUDGET ACT

The Biennial Budget Act authorized the creation of ABLA Accounts in the state. The Biennial Budget Act provided a state income tax deduction for contributions to an ABLA Account, and it specified that withdrawals for qualified expenses were not subject to state income tax. The Biennial Budget Act authorized the Department of Health Services (DHS) to recover ABLA Account proceeds under the estate recovery program upon the death of the account beneficiary, in certain cases. The Biennial Budget Act also required the Department of Administration (DOA) to promulgate rules to implement and administer state regulations concerning ABLA Accounts.

2015 WISCONSIN ACT 312

The Act repeals the provisions under the Biennial Budget Act authorizing the creation of ABLA Accounts in the state and requiring DOA to promulgate rules to implement and administer the program. With respect to contributions to or withdrawals from an ABLA Account

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

created in another state, the Act retains the same preferential tax treatment as under the Biennial Budget Act. The Act also retains the provision authorizing DHS to seek estate recovery of ABLE Account proceeds, in certain cases.

Effective date: April 1, 2016

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