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**WISCONSIN LEGISLATIVE COUNCIL  
AMENDMENT MEMO**

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<b>2005 Senate Bill 351</b>	<b>Senate Substitute Amendment 1</b>
<i>Memo published: October 25, 2005</i>	<i>Contact: Laura Rose, Deputy Director (266-9791)</i>

**2005 Senate Bill 351**

Currently up to \$3,000 per year per beneficiary under EdVest I, a college tuition and expenses program, and EdVest II, a college savings account program, may be deducted from the contributor's income. In order to take the deduction, the beneficiary must be the claimant's child and a dependent under the Internal Revenue Code; the claimant's grandchild; the claimant's great-grandchild; or the claimant's niece or nephew.

2005 Senate Bill 351 creates two nonrefundable individual income tax credits based on the amounts paid by an individual into an EdVest I and II account. The total maximum amount for which a credit may be claimed under both programs, per beneficiary, by a claimant, may not exceed \$3,000 per year, multiplied by the claimant's marginal tax rate. Under the bill, the credits for amounts contributed to both EdVest I and II may be claimed by a divorced or legally separated parent of a child, and may be claimed without regard to whether the child is his or her dependent.

**Senate Substitute Amendment 1**

Senate Substitute Amendment 1 eliminates the nonrefundable individual income tax credit created under the bill. The substitute amendment amends current law to allow a divorced or legally separated parent or child to take the income tax deduction for amounts that the parent contributed to EdVest I and II. The deduction may be claimed without regard to whether the child is his or her dependent. The amount in deductions is the same as that allowed for other claimants under current law.

**Legislative History:** On October 24, 2005, the Senate Committee on Job Creation, Economic Development and Consumer Affairs recommended adoption of Senate Substitute Amendment 1 by a vote of Ayes, 5; and Noes, 0; and recommended passage of the bill, as amended, by a vote of Ayes, 5; and Noes, 0.

LR:ksm