



## 2011 ASSEMBLY BILL 242

September 6, 2011 – Introduced by Representatives STRACHOTA, THIESFELDT and MARKLEIN, cosponsored by Senators GROTHMAN and HOLPERIN. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 71.10 (5) (b) 1., 71.10 (5) (g), 71.10 (5e) (b) 1., 71.10 (5e) (g),  
2             71.10 (5f) (b) 1., 71.10 (5g) (b) 1., 71.10 (5h) (b) 1., 71.10 (5i) (b) 1., 71.10 (5j) (b)  
3             1., 71.10 (5k) (b) 1., 71.10 (5m) (b) 1., 71.30 (10) (g) and 71.30 (11) (g); and **to**  
4             **create** 71.10 (5s) of the statutes; **relating to:** limiting the number of individual  
5             income tax checkoffs.

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### *Analysis by the Legislative Reference Bureau*

Under current law, an individual income tax check-off procedure exists that allows an individual who files a return to designate any amount of additional payment or any amount of a refund due for the endangered resources program. Similar checkoffs exist to provide payments to several other programs, including a veterans trust fund, prostate cancer research, multiple sclerosis programs, a fire fighters memorial, which is temporary and expires after \$400,000 is designated, and a breast cancer research program, and to provide a donation to a professional football stadium district.

For taxable years beginning after December 31, 2011, taxpayers may not have the opportunity to make such a designation to more than 10 checkoffs, not including temporary checkoffs, and no temporary checkoffs may be created after December 31, 2011. The bill also prohibits the Department of Revenue (DOR) from placing more than 10 checkoffs on the income tax form, and repeals the current law provision that requires DOR to highlight certain checkoffs with a symbol. Other than a checkoff created in a bill that is introduced in both houses of the legislature before June 1,

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2011, if any checkoff is created after December 31, 2011, and before January 1, 2015, it may not appear on the tax form, and no designations may be made to the checkoff, before January 1, 2015.

Beginning in September 2014, and every three years thereafter, the bill requires the secretary of revenue to rank the checkoffs in order of the amount of designations received during the previous three-year period.

If nine checkoffs exist, not including temporary checkoffs, only the top six checkoffs, in terms of designations received, may appear on the tax form for the next three years, and the seventh place on the tax form will be taken by a checkoff that hasn't received any designations during the previous three-year period.

If more than 10 checkoffs exist, not including temporary checkoffs, only the top eight checkoffs, in terms of designations received, may appear on the tax form for the next three years, and the ninth and tenth places on the tax form will be taken by checkoffs that haven't received any designations during the previous three-year period. The new checkoffs that appear on the form will be selected by the legislature from among all checkoffs authorized by law.

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.** 71.10 (5) (b) 1. of the statutes is amended to read:

2           71.10 (5) (b) 1. 'Designation on return.' ~~Any~~ Subject to sub. (5s), any individual  
3 filing an income tax return may designate on the return any amount of additional  
4 payment or any amount of a refund due that individual for the endangered resources  
5 program.

6           **SECTION 2.** 71.10 (5) (g) of the statutes is amended to read:

7           71.10 (5) (g) *Tax return.* The secretary of revenue shall provide a place for the  
8 designations under this subsection on the individual income tax return ~~and, on forms~~  
9 ~~printed by the department of revenue, the secretary shall highlight that place on the~~  
10 ~~return by a symbol chosen by the department of revenue that relates to endangered~~  
11 ~~resources.~~

12           **SECTION 3.** 71.10 (5e) (b) 1. of the statutes is amended to read:

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1           71.10 (5e) (b) 1. 'Designation on return.' ~~Every Subject to sub. (5s), every~~  
2 individual filing an income tax return who has a tax liability or is entitled to a tax  
3 refund may designate on the return any amount of additional payment or any  
4 amount of a refund due that individual as a football donation.

5           **SECTION 4.** 71.10 (5e) (g) of the statutes is amended to read:

6           71.10 (5e) (g) *Tax return.* The secretary of revenue shall provide a place for the  
7 designations under this subsection on the individual income tax return, ~~and, on~~  
8 ~~forms printed by the department of revenue, the secretary shall highlight that place~~  
9 ~~on the return by a symbol chosen by the department that relates to a football~~  
10 ~~stadium, as defined in s. 229.821 (6).~~

11           **SECTION 5.** 71.10 (5f) (b) 1. of the statutes is amended to read:

12           71.10 (5f) (b) 1. 'Designation on return.' ~~Every Subject to sub. (5s), every~~  
13 individual filing an income tax return who has a tax liability or is entitled to a tax  
14 refund may designate on the return any amount of additional payment or any  
15 amount of a refund due that individual for the breast cancer research program.

16           **SECTION 6.** 71.10 (5g) (b) 1. of the statutes is amended to read:

17           71.10 (5g) (b) 1. 'Designation on return.' ~~Every Subject to sub. (5s), every~~  
18 individual filing an income tax return who has a tax liability or is entitled to a tax  
19 refund may designate on the return any amount of additional payment or any  
20 amount of a refund due that individual as a veterans trust fund donation.

21           **SECTION 7.** 71.10 (5h) (b) 1. of the statutes is amended to read:

22           71.10 (5h) (b) 1. 'Designation on return.' ~~Every Subject to sub. (5s), every~~  
23 individual filing an income tax return who has a tax liability or is entitled to a tax  
24 refund may designate on the return any amount of additional payment or any  
25 amount of a refund due that individual for the prostate cancer research program.

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1           **SECTION 8.** 71.10 (5i) (b) 1. of the statutes is amended to read:

2           71.10 **(5i)** (b) 1. 'Designation on return.' ~~Every~~ Subject to sub. (5s), every  
3 individual filing an income tax return who has a tax liability or is entitled to a tax  
4 refund may designate on the return any amount of additional payment or any  
5 amount of a refund due that individual for the military family relief fund.

6           **SECTION 9.** 71.10 (5j) (b) 1. of the statutes is amended to read:

7           71.10 **(5j)** (b) 1. 'Designation on return.' ~~Every~~ Subject to sub. (5s), every  
8 individual filing an income tax return who has a tax liability or is entitled to a tax  
9 refund may designate on the return any amount of additional payment or any  
10 amount of a refund due that individual for Second Harvest.

11           **SECTION 10.** 71.10 (5k) (b) 1. of the statutes, as created by 2011 Wisconsin Act  
12 32, is amended to read:

13           71.10 **(5k)** (b) 1. 'Designation on return.' ~~Every~~ Subject to sub. (5s), every  
14 individual filing an income tax return who has a tax liability or is entitled to a tax  
15 refund may designate on the return any amount of additional payment or any  
16 amount of a refund due that individual for the Badger Chapter.

17           **SECTION 11.** 71.10 (5m) (b) 1. of the statutes is amended to read:

18           71.10 **(5m)** (b) 1. 'Designation on return.' ~~Every~~ Subject to sub. (5s), every  
19 individual filing an income tax return who has a tax liability or is entitled to a tax  
20 refund may designate on the return any amount of additional payment or any  
21 amount of a refund due that individual for programs for people with multiple  
22 sclerosis.

23           **SECTION 12.** 71.10 (5s) of the statutes is created to read:

24           71.10 **(5s)** LIMITATIONS ON CHECKOFFS. (a) For taxable years beginning after  
25 December 31, 2011, individuals may not have the option of making a designation to

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1 more than 10 individual income checkoffs and the department may not place more  
2 than 10 checkoffs on the tax income form. If a checkoff is created for taxable years  
3 beginning after December 31, 2011, and before January 1, 2015, the department may  
4 not place it on the form, and no designations may be made to the checkoff, for a  
5 taxable year that begins before January 1, 2015, except that this limitation does not  
6 apply to a checkoff created in a bill that is introduced in both houses of the legislature  
7 before June 1, 2011. The limitations in this paragraph do not apply to the checkoff  
8 under sub. (5fm).

9 (b) For taxable years beginning after December 31, 2011, there may be no  
10 individual income tax checkoffs of a temporary nature other than the checkoff under  
11 sub. (5fm).

12 (c) Beginning in September 2014, based on the amounts certified by the  
13 secretary of revenue in August or September 2012, 2013, and 2014, as specified in  
14 subs. (5) (h), (5e) (h), (5f) (h), (5g) (h), (5h) (h), (5i) (h), (5j) (h), (5k) (h), and (5m) (h),  
15 and for every 3-year period thereafter, the secretary of revenue shall rank the  
16 checkoffs based on the total amount of designations received for each checkoff for  
17 each 3-year period. For each 3-year period, beginning with 2014, the secretary of  
18 revenue shall rank every checkoff that is created under this section.

19 (d) 1. If more than 10 checkoffs exist under this section after August 14, 2014,  
20 and every 3 years thereafter, not including the checkoff under sub. (5fm), only the  
21 8 highest ranking checkoffs for which designations were made in the previous 3-year  
22 period may appear on the income tax form for the next 3 taxable years.

23 2. The remaining 2 checkoffs for which designations may be made and which  
24 shall be placed on the income tax form for the next 3 years, in place of the 2 lowest

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1 ranking checkoffs, shall be checkoffs that have not received any designations during  
2 the previous 3-year period.

3 3. The 2 remaining checkoffs, described under subd. 2., shall be selected by joint  
4 resolution adopted by both houses of the legislature no later than August 1 of the year  
5 before the year in which they are to appear on the income tax form. The legislature  
6 may select any checkoff that is authorized under this section.

7 **SECTION 13.** 71.30 (10) (g) of the statutes is amended to read:

8 71.30 (10) (g) *Tax return.* The secretary of revenue shall provide a place for the  
9 designations under this subsection on the corporate income and franchise tax  
10 returns ~~and the secretary shall highlight that place on the returns by a symbol~~  
11 ~~chosen by the department that relates to endangered resources.~~

12 **SECTION 14.** 71.30 (11) (g) of the statutes is amended to read:

13 71.30 (11) (g) *Tax return.* The secretary of revenue shall provide a place for the  
14 designations under this subsection on the corporate income and franchise tax  
15 returns ~~and the secretary shall highlight that place on the returns by a symbol~~  
16 ~~chosen by the department of veterans affairs that relates to veterans.~~

17 **SECTION 15. Initial applicability.**

18 (1) This act first applies to taxable years beginning after December 31, 2011.

19 (END)