

State of Misconsin 2017 - 2018 LEGISLATURE

2017 ASSEMBLY BILL 995

March 5, 2018 – Introduced by Representative SHANKLAND. Referred to Committee on Ways and Means.

1 AN ACT *to amend* 71.08 (1) (intro.) and 71.10 (4) (i); and *to create* 20.835 (2) (cb) 2 and 71.07 (8m) of the statutes; **relating to:** creating an individual income tax 3 credit for certain medical debt and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a refundable individual income tax credit for costs incurred by an individual for medical debt, which is defined as debt incurred by a claimant for medical or health-related costs attributable to the care and treatment of the claimant's spouse in the year in which the spouse dies, or in the prior year. The definition of medical debt includes respite, hospice, and palliative care. Under the bill, the maximum credit that a claimant may claim is \$10,000. No individual may claim the credit more than once, and no credit is allowed if the claimant's federal adjusted gross income exceeds \$100,000 or if the claimant is married and files a joint return. Because the credit is refundable, if the amount of the claim for which a claimant is eligible exceeds the claimant's tax liability, the difference will be paid to the claimant by check.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

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1	SECTION 1. 20.835 (2) (cb) of the statutes is created to read:
2	20.835 (2) (cb) Medical debt credit. A sum sufficient to pay the claims approved
3	under s. 71.07 (8m).
4	SECTION 2. 71.07 (8m) of the statutes is created to read:
5	71.07 (8m) MEDICAL DEBT CREDIT. (a) Definitions. In this subsection:
6	1. "Claimant" means an individual who files a claim under this subsection.
7	2. "Medical debt" means debt incurred by a claimant for medical or
8	health-related costs attributable to the care and treatment of the claimant's spouse
9	in the year in which the spouse dies, or in the year before the year in which the spouse
10	dies, including respite, hospice, and palliative care.
11	(b) <i>Filing claims</i> . Subject to the limitations provided in this subsection, a
12	claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 an
13	amount equal to the amount of medical debt. If the allowable amount of the claim
14	exceeds the income taxes otherwise due on the claimant's income, the amount of the
15	claim not used as an offset against those taxes shall be certified by the department
16	of revenue to the department of administration for payment to the claimant by check,
17	share draft, or other draft drawn from the appropriation account under s. 20.835 (2)
18	(cb).
19	(c) <i>Limitations</i> . 1. The maximum credit that a claimant may claim under this
20	subsection is \$10,000.
21	2. No credit may be claimed under this subsection by a part-year resident or

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22 a nonresident of this state.

3. No credit may be allowed under this subsection unless it is claimed within
the period specified in s. 71.75 (2).

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1	4. No credit may be allowed under this subsection for a taxable year covering
2	a period of less than 12 months, except for a taxable year closed by reason of the death
3	of the claimant.
4	5. No individual may claim the credit under this subsection more than once.
5	6. No credit may be allowed under this subsection if the claimant's federal
6	adjusted gross income in the year to which the claim relates exceeds \$100,000.
7	7. No credit may be allowed under this subsection if the claimant is married
8	and files a joint return.
9	(d) $Administration$. Subsection (9e) (d), to the extent that it applies to the credit
10	under that subsection, applies to the credit under this subsection.
11	SECTION 3. 71.08 (1) (intro.) of the statutes, as affected by 2017 Wisconsin Act
12	58, is amended to read:
13	71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married
14	couple filing jointly, trust, or estate under s. 71.02, not considering the credits under
15	$ss. \ 71.07 \ (1), \ (2dx), \ (2dy), \ (3m), \ (3n), \ (3p), \ (3q), \ (3r), \ (3rm), \ (3rn), \ (3s), \ (3t), \ (3w), \ (3w$
16	(3wm), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e), (8m), (8r), (9e), (9m), (8r), (9e), (9m), (9e), (9e)
17	and (9r), 71.28 (1dx), (1dy), (2m), (3), (3n), (3t), (3w), (3wm), and (3y), 71.47 (1dx),
18	(1dy), (2m), (3), (3n), (3t), (3w), and (3y), 71.57 to 71.61, and 71.613 and subch. VIII
19	and payments to other states under s. 71.07 (7), is less than the tax under this
20	section, there is imposed on that natural person, married couple filing jointly, trust
21	or estate, instead of the tax under s. 71.02, an alternative minimum tax computed
22	as follows:
0.0	$(\mathbf{P}_{1}, \mathbf{P}_{2}, \mathbf{P}_{1}, \mathbf{P}_{1}, \mathbf{P}_{2}, P$

23 SECTION 4. 71.10 (4) (i) of the statutes, as affected by 2017 Wisconsin Acts 58
24 and 59, is amended to read:

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1	71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland
2	preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and
3	beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief
4	credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.
5	71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment
6	credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.
7	71.07 (3rm), food processing plant and food warehouse investment credit under s.
8	71.07 (3rn), business development credit under s. 71.07 (3y), research credit under
9	s. 71.07 (4k) (e) 2. a., film production services credit under s. 71.07 (5f), film
10	production company investment credit under s. 71.07 (5h), veterans and surviving
11	spouses property tax credit under s. 71.07 (6e), medical debt credit under s. 71.07
12	(8m), enterprise zone jobs credit under s. 71.07 (3w), electronics and information
13	technology manufacturing zone credit under s. 71.07 (3wm), beginning farmer and
14	farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s.
15	71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.
16	X.

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SECTION 5. Initial applicability.

(1) This act first applies to taxable years beginning on January 1 of the year
in which this subsection takes effect, except that if this subsection takes effect after
July 31, this act first applies to taxable years beginning on January 1 of the year
following the year in which this subsection takes effect.

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(END)

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