2011 ASSEMBLY BILL 213

August 2, 2011 – Introduced by Representatives Doyle, Spanbauer, Hulsey, Vruwink, Young, Berceau, Sinicki, Staskunas, Pope-Roberts and Mason, cosponsored by Senators Vinehout, Holperin, Lassa, Taylor and Risser. Referred to Joint Survey Committee on Tax Exemptions.

1   An Act *to create* 71.98 (2) of the statutes; **relating to:** adopting federal law as

2   it relates to excluding from an employee's income certain payments from an

3   employer related to medical care.

Analysis by the Legislative Reference Bureau

This bill adopts, for state income and franchise tax purposes, a provision in the Internal Revenue Code that relates to exempting from taxation certain payments made by an employer to an employee to reimburse the employee for costs he or she has paid for medical care for the employee's adult child.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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:

4   **SECTION 1.** 71.98 (2) of the statutes is created to read:

5   71.98 **(2)** IMPUTED INCOME; EMPLOYER PAYMENTS TO EMPLOYEES FOR MEDICAL CARE.

6   Section 105 (b) of the Internal Revenue Code, as amended to December 31, 2010, and

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1   related to amounts paid by an employer to an employee to reimburse the employee

2   for costs paid by him or her for medical care for the employee's adult child.

3   **SECTION 2. Initial applicability.**

4   (1) This act first applies to taxable years beginning on January 1 of the year

5   in which this subsection takes effect, except that if this subsection takes effect after

6   July 31 this act first applies to taxable years beginning on January 1 of the year

7   following the year in which this subsection takes effect.

8   **(END)**