



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-3835/1  
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## 2013 ASSEMBLY BILL 887

March 25, 2014 - Introduced by Representatives JOHNSON, YOUNG, SARGENT, BARNES, SINICKI, BERCEAU, HULSEY, ZEPNICK, HEBL, C. TAYLOR, OHNSTAD and GENRICH, cosponsored by Senator HARRIS. Referred to Committee on Workforce Development.

1     **AN ACT to amend** 49.78 (11) (a) 1. and 49.81 (2); and **to create** 49.851 and 227.01  
2           (13) (em) of the statutes; **relating to:** imposing a fee on an employer whose  
3           employee receives certain public assistance benefits.

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### *Analysis by the Legislative Reference Bureau*

This bill requires the Department of Health Services and the Department of Revenue (DOR) to work together to develop and implement a process whereby an employer is charged a fee for each employee of the employer who received benefits under the food stamp program or the BadgerCare Plus Medical Assistance program while the employee was employed full time for the employer. The bill defines full time as an average of 35 or more hours per week. The employers that are affected are those with 50 or more employees, excluding the state and local governments. The amount of the fee is one-half of the total benefits provided to the employee in the preceding year while the employee was employed full time for the employer. The fees collected are to be used for the earned income individual income tax credit. In 2016, DOR must submit a report to the Joint Committee on Finance specifying the amount of the fees collected in 2015 and indicating how the earned income tax credit may be modified to use the fees for increasing the credit.

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:***

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1           **SECTION 1.** 49.78 (11) (a) 1. of the statutes is amended to read:

2           49.78 (11) (a) 1. The department, a county department under s. 46.215, 46.22,  
3 or 46.23, a multicounty consortium, or a tribal governing body may request from any  
4 person in this state information it determines appropriate and necessary for  
5 determining or verifying eligibility or benefits for a recipient under any income  
6 maintenance program. Unless access to the information is prohibited or restricted  
7 by law, or unless the person has good cause, as determined by the department in  
8 accordance with federal law and regulations, for refusing to cooperate, the person  
9 shall make a good faith effort to provide the information within 7 days after receiving  
10 a request under this paragraph. The department, county department, multicounty  
11 consortium, or tribal governing body, or employees of any of them, may not disclose  
12 information obtained under this subdivision for any purpose not connected with the  
13 administration of the income maintenance program for which the information was  
14 requested or with the fee-collection process under s. 49.851.

15           **SECTION 2.** 49.81 (2) of the statutes is amended to read:

16           49.81 (2) The right to confidentiality of agency records and files on the  
17 recipient. Nothing in this subsection shall prohibit the use of such records for  
18 auditing or accounting purposes or, to the extent permitted under federal law, for the  
19 purposes of imposing the fee under s. 49.851, locating persons, or the assets of  
20 persons, who have failed to file tax returns, who have underreported their taxable  
21 income or who are delinquent taxpayers, identifying fraudulent tax returns, or  
22 providing information for tax-related prosecutions.

23           **SECTION 3.** 49.851 of the statutes is created to read:

24           **49.851 Imposing a fee on employers whose employees receive benefits.**

25           **(1) DEFINITIONS.** In this section:

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1 (a) “Benefits” means benefits under the BadgerCare Plus Medical Assistance  
2 program under s. 49.471 or the federal food stamp program under 7 USC 2011 to  
3 2036.

4 (b) 1. Except as provided in subd. 2., “employer” means an employer in this state  
5 that employed an average of at least 50 employees on business days during the  
6 preceding year, or that is reasonably expected to employ an average of at least 50  
7 employees on business days during the current year if the employer was not in  
8 existence during the preceding year.

9 2. “Employer” does not include the state or a local government, as defined in  
10 s. 25.50 (1) (d).

11 (c) “Full time” means for an average of 35 hours or more per week.

12 **(2) PROCESS FOR FEE COLLECTION.** The department of health services and the  
13 department of revenue shall work jointly to develop and, beginning in 2015,  
14 implement a process that does all of the following:

15 (a) Identifies individuals who, during the preceding year, received any benefits  
16 and who, during the time, or any portion of the time, that they received those  
17 benefits, were employed full time by an employer.

18 (b) Calculates the total amount of benefits provided during the preceding year  
19 to each individual identified in par. (a) while the individual was employed full time  
20 by an employer.

21 (c) Imposes on each employer who employed an individual identified in par. (a)  
22 a fee in the amount of one-half of the total amount of benefits provided to the  
23 individual in the preceding year while the individual was employed full time by the  
24 employer.

**ASSEMBLY BILL 887****SECTION 3**

1 (d) Uses the amounts collected under par. (c) for the earned income tax credit  
2 under s. 71.07 (9e) for taxable years beginning after December 31, 2015.

3 **(3) CONFIDENTIALITY OF INFORMATION.** The department of health services and  
4 the department of revenue may use the information obtained and exchanged under  
5 this section only in the administration of the process established under this section  
6 and may not disclose the information to any person except in the administration of  
7 the process established under this section. The department of health services and  
8 the department of revenue shall, as part of the process under this section, establish  
9 procedures that adequately safeguard the confidentiality of the information  
10 obtained and exchanged under this section.

11 **SECTION 4.** 227.01 (13) (em) of the statutes is created to read:

12 227.01 (13) (em) Relates to the fee-collection process under s. 49.851.

13 **SECTION 5. Nonstatutory provisions.**

14 (1) **FEE COLLECTION REPORT.** No later than April 1, 2016, the department of  
15 revenue shall submit a report to the joint committee on finance that specifies the  
16 amount of the fees collected in 2015 under section 49.851 of the statutes, as created  
17 by this act, and indicates how the percentages for claiming the credits under section  
18 71.07 (9e) of the statutes would need to be modified in order to use such fees to  
19 increase the amount of the claims under section 71.07 (9e) of the statutes.

20 (END)