



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-5412/1
MES:emw

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:

ASSEMBLY BILL 995**SECTION 1**

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) *Filing claims.* 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) *Limitations.* 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
22 a nonresident of this state.

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

ASSEMBLY BILL 995

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),
16 (3wm), (3y), (4k), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5n), (6), (6e), (8m), (8r), (9e), (9m),
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:

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

