



## 2011 SENATE BILL 140

June 30, 2011 - Introduced by Senators WANGGAARD, MOULTON and LASEE, cosponsored by Representatives BERNIER, BROOKS, JACQUE, LITJENS, THIESFELDT and WYNN. Referred to Committee on Public Health, Human Services, and Revenue.

1     **AN ACT to amend** 20.566 (1) (hp), 49.45 (5m) (am), 49.45 (6m) (ag) (intro.), 49.45  
2           (6y) (a), 49.45 (6z) (a) (intro.), 49.45 (8) (b), 49.45 (24m) (intro.), 49.45 (51) (a),  
3           49.473 (5) and 79.01 (2d); and **to create** 20.255 (2) (g), 20.435 (4) (ht), 71.10 (5k),  
4           71.10 (5L), 71.10 (5n), 121.115 and 121.90 (2) (am) 5. of the statutes; **relating**  
5           **to:** creating an individual income tax checkoff for contributions to elementary  
6           and secondary education, shared revenue, and Medical Assistance, and making  
7           an appropriation.

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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, Second Harvest food banks, and a breast cancer research program, and to provide a donation to a professional football stadium district. This bill creates three similar income tax checkoffs for designations to state financed programs towards elementary and secondary education materials, shared revenue, and Medical Assistance (programs).

Under the bill, an individual who has an income tax liability, is due a refund, or is required to file a return may designate any amount of additional payment, or

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any amount of a refund due, to any or all of the three programs, on his or her income tax return. If an individual's designation exceeds the amount of his or her refund, he or she must include a check with his or her tax return for the difference between the amount of the designation and the amount of the refund. If an individual who makes a contribution has a tax liability or has no tax liability and is due no refund, he or she must include a check for the amount of the designation with his or her tax return.

The bill requires that an amount equal to the total amount of designations received, less the total cost of administering each of the income tax check-off procedures, be appropriated to the programs.

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.** 20.255 (2) (g) of the statutes is created to read:

2           20.255 (2) (g) *Elementary and secondary education funding.* All moneys  
3 received, from amounts designated under s. 71.10 (5k) (b) and certified under s. 71.10  
4 (5k) (h) 3., for elementary and secondary education funding under s. 121.115.

5           **SECTION 2.** 20.435 (4) (ht) of the statutes is created to read:

6           20.435 (4) (ht) *Tax checkoff; Medical Assistance program benefits.* All moneys  
7 received from amounts designated under s. 71.10 (5n) (b) and certified under s. 71.10  
8 (5n) (h) 3. to provide a portion of the state share of Medical Assistance program  
9 benefits administered under subch. IV of ch. 49 and to provide a portion of the  
10 Medical Assistance program benefits administered under subch. IV of ch. 49 that are  
11 not also provided under par. (o).

12           **SECTION 3.** 20.566 (1) (hp) of the statutes is amended to read:

13           20.566 (1) (hp) *Administration of income tax checkoff voluntary payments.* The  
14 amounts in the schedule for the payment of all administrative costs, including data  
15 processing costs, incurred in administering ss. 71.10 (5), (5e), (5f), (5fm), (5g), (5h),

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1 (5i), (5j), and ~~(5k), (5L), (5m), and (5n)~~, and 71.30 (10). All moneys specified for  
2 deposit in this appropriation under ss. 71.10 (5) (h) 5., (5e) (h) 4., (5f) (i), (5fm) (i), (5g)  
3 (i), (5h) (i), (5i) (i), (5j) (i), and ~~(5k) (i), (5L) (i), (5m) (i), and (5n) (i)~~, and 71.30 (10) (i)  
4 and (11) (i) shall be credited to this appropriation.

5 **SECTION 4.** 49.45 (5m) (am) of the statutes is amended to read:

6 49.45 **(5m)** (am) Notwithstanding sub. (3) (e), from the appropriation accounts  
7 under s. 20.435 (4) (b), ~~(ht)~~, (o), (w) and (xc), the department shall distribute not more  
8 than \$5,000,000 in each fiscal year, to provide supplemental funds to rural hospitals  
9 that, as determined by the department, have high utilization of inpatient services by  
10 patients whose care is provided from governmental sources, except that the  
11 department may not distribute funds to a rural hospital to the extent that the  
12 distribution would exceed any limitation under 42 USC 1396b (i) (3).

13 **SECTION 5.** 49.45 (6m) (ag) (intro.) of the statutes is amended to read:

14 49.45 **(6m)** (ag) (intro.) Payment for care provided in a facility under this  
15 subsection made under s. 20.435 (4) (b), ~~(ht)~~, (o), (pa), or (w) shall, except as provided  
16 in pars. (bg), (bm), and (br), be determined according to a prospective payment  
17 system updated annually by the department. The payment system shall implement  
18 standards that are necessary and proper for providing patient care and that meet  
19 quality and safety standards established under subch. II of ch. 50 and ch. 150. The  
20 payment system shall reflect all of the following:

21 **SECTION 6.** 49.45 (6y) (a) of the statutes is amended to read:

22 49.45 **(6y)** (a) Notwithstanding sub. (3) (e), from the appropriation accounts  
23 under s. 20.435 (4) (b), ~~(ht)~~, (o), and (w), the department may distribute funding in  
24 each fiscal year to provide supplemental payment to hospitals that enter into a  
25 contract under s. 49.02 (2) to provide health care services funded by a relief block

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1 grant, as determined by the department, for hospital services that are not in excess  
2 of the hospitals' customary charges for the services, as limited under 42 USC 1396b  
3 (i) (3). If no relief block grant is awarded under this chapter or if the allocation of  
4 funds to such hospitals would exceed any limitation under 42 USC 1396b (i) (3), the  
5 department may distribute funds to hospitals that have not entered into a contract  
6 under s. 49.02 (2).

7 **SECTION 7.** 49.45 (6z) (a) (intro.) of the statutes is amended to read:

8 49.45 **(6z)** (a) (intro.) Notwithstanding sub. (3) (e), from the appropriation  
9 accounts under s. 20.435 (4) (b), (ht), (o), and (w), the department may distribute  
10 funding in each fiscal year to supplement payment for services to hospitals that enter  
11 into indigent care agreements, in accordance with the approved state plan for  
12 services under 42 USC 1396a, with relief agencies that administer the medical relief  
13 block grant under this chapter, if the department determines that the hospitals serve  
14 a disproportionate number of low-income patients with special needs. If no medical  
15 relief block grant under this chapter is awarded or if the allocation of funds to such  
16 hospitals would exceed any limitation under 42 USC 1396b (i) (3), the department  
17 may distribute funds to hospitals that have not entered into indigent care  
18 agreements. The department may not distribute funds under this subsection to the  
19 extent that the distribution would do any of the following:

20 **SECTION 8.** 49.45 (8) (b) of the statutes is amended to read:

21 49.45 **(8)** (b) Reimbursement under s. 20.435 (4) (b), (ht), (o), and (w) for home  
22 health services provided by a certified home health agency or independent nurse  
23 shall be made at the home health agency's or nurse's usual and customary fee per  
24 patient care visit, subject to a maximum allowable fee per patient care visit that is  
25 established under par. (c).

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1           **SECTION 9.** 49.45 (24m) (intro.) of the statutes is amended to read:

2           49.45 (**24m**) (intro.) From the appropriation accounts under s. 20.435 (4) (b),  
3           ~~(ht)~~, (o), and (w), in order to test the feasibility of instituting a system of  
4           reimbursement for providers of home health care and personal care services for  
5           medical assistance recipients that is based on competitive bidding, the department  
6           shall:

7           **SECTION 10.** 49.45 (51) (a) of the statutes is amended to read:

8           49.45 (**51**) (a) By November 1 annually, the department shall provide to the  
9           department of revenue information concerning the estimated amounts of  
10          supplements payable from the appropriation accounts under s. 20.435 (4) (b) and (ht)  
11          to specific local governmental units for the provision of transportation for medical  
12          care, as specified under s. 49.46 (2) (b) 3., during the fiscal year. Beginning November  
13          1, 2004, the information that the department provides under this paragraph shall  
14          include any adjustments necessary to reflect actual claims submitted by service  
15          providers in the previous fiscal year.

16          **SECTION 11.** 49.473 (5) of the statutes is amended to read:

17          49.473 (**5**) The department shall audit and pay, from the appropriation  
18          accounts under s. 20.435 (4) (b), ~~(ht)~~, and (o), allowable charges to a provider who is  
19          certified under s. 49.45 (2) (a) 11. for medical assistance on behalf of a woman who  
20          meets the requirements under sub. (2) for all benefits and services specified under  
21          s. 49.46 (2).

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

23          71.10 (**5k**) **ELEMENTARY AND SECONDARY EDUCATION MATERIALS FUNDING CHECKOFF.**

24          (a) *Definitions.* In this subsection:

25           1. "Department" means the department of revenue.

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1           2. “Elementary and secondary education materials funding” means moneys  
2 distributed to school districts for the purchase of books, materials, and equipment,  
3 as provided under s. 121.115, and for the payment of administrative expenses related  
4 to the administration of this subsection.

5           (b) *Voluntary payments.* 1. ‘Designation on return.’ Every individual filing an  
6 income tax return who has a tax liability or is entitled to a tax refund may designate  
7 on the return any amount of additional payment or any amount of a refund due that  
8 individual for elementary and secondary education materials funding.

9           2. ‘Designation added to tax owed.’ If the individual owes any tax, the  
10 individual shall remit in full the tax due and the amount designated on the return  
11 for elementary and secondary education materials funding when the individual files  
12 a tax return.

13           3. ‘Designation deducted from refund.’ Except as provided in par. (d), if the  
14 individual is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80  
15 (3) and (3m), the department shall deduct the amount designated on the return for  
16 elementary and secondary education materials funding from the amount of the  
17 refund.

18           (c) *Errors; failure to remit correct amount.* If an individual who owes taxes fails  
19 to remit an amount equal to or in excess of the total of the actual tax due, after error  
20 corrections, and the amount designated on the return for elementary and secondary  
21 education materials funding:

22           1. The department shall reduce the designation for elementary and secondary  
23 education materials funding to reflect the amount remitted in excess of the actual  
24 tax due, after error corrections, if the individual remitted an amount in excess of the  
25 actual tax due, after error corrections, but less than the total of the actual tax due,

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1 after error corrections, and the amount originally designated on the return for  
2 elementary and secondary education materials funding.

3 2. The designation for elementary and secondary education materials funding  
4 is void if the individual remitted an amount equal to or less than the actual tax due,  
5 after error corrections.

6 (d) *Errors; insufficient refund.* If an individual is owed a refund that does not  
7 equal or exceed the amount designated on the return for elementary and secondary  
8 education materials funding, after crediting under ss. 71.75 (9) and 71.80 (3) and  
9 (3m) and after error corrections, the department shall reduce the designation for  
10 elementary and secondary education materials funding to reflect the actual amount  
11 of the refund that the individual is otherwise owed, after crediting under ss. 71.75  
12 (9) and 71.80 (3) and (3m) and after error corrections.

13 (e) *Conditions.* If an individual places any conditions on a designation for  
14 elementary and secondary education materials funding, the designation is void.

15 (f) *Void designation.* If a designation for elementary and secondary education  
16 materials funding is void, the department shall disregard the designation and  
17 determine amounts due, owed, refunded, and received without regard to the void  
18 designation.

19 (g) *Tax return.* The secretary of revenue shall provide a place for the  
20 designations under this subsection on the individual income tax return.

21 (h) *Certification of amounts.* Annually, on or before September 15, the  
22 secretary of revenue shall certify to the department of administration and the state  
23 treasurer all of the following:

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1           1. The total amount of the administrative costs, including data processing  
2 costs, incurred by the department in administering this subsection during the  
3 previous fiscal year.

4           2. The total amount received from all designations for elementary and  
5 secondary education materials funding made by taxpayers during the previous fiscal  
6 year.

7           3. The net amount remaining after the administrative costs, including data  
8 processing costs, under subd. 1. are subtracted from the total received under subd.  
9 2.

10           (i) *Appropriations.* From the moneys received from designations for  
11 elementary and secondary education materials funding, an amount equal to the sum  
12 of administrative expenses, including data processing costs, certified under par. (h)  
13 1. shall be deposited in the general fund and credited to the appropriation account  
14 under s. 20.566 (1) (hp), and the net amount remaining that is certified under par.  
15 (h) 3. shall be credited to the appropriation under s. 20.255 (2) (g).

16           (j) *Amounts subject to refund.* Amounts designated for elementary and  
17 secondary education materials funding under this subsection are not subject to  
18 refund to the taxpayer unless the taxpayer submits information to the satisfaction  
19 of the department, within 18 months after the date on which the taxes are due or the  
20 date on which the return is filed, whichever is later, that the amount designated is  
21 clearly in error. Any refund granted by the department under this paragraph shall  
22 be deducted from the moneys received under this subsection in the fiscal year for  
23 which the refund is certified.

24           **SECTION 13.** 71.10 (5L) of the statutes is created to read:

25           71.10 (5L) SHARED REVENUE CHECKOFF. (a) *Definitions.* In this subsection:



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- 1           1. “Department” means the department of revenue.
- 2           2. “Shared revenue” means the amounts paid from the county and municipal  
3 aid account under ss. 79.035 and 79.043.
- 4           (b) *Voluntary payments.* 1. ‘Designation on return.’ Every individual filing an  
5 income tax return who has a tax liability or is entitled to a tax refund may designate  
6 on the return any amount of additional payment or any amount of a refund due that  
7 individual for shared revenue.
- 8           2. ‘Designation added to tax owed.’ If the individual owes any tax, the  
9 individual shall remit in full the tax due and the amount designated on the return  
10 for shared revenue when the individual files a tax return.
- 11           3. ‘Designation deducted from refund.’ Except as provided in par. (d), if the  
12 individual is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80  
13 (3) and (3m), the department shall deduct the amount designated on the return for  
14 shared revenue from the amount of the refund.
- 15           (c) *Errors; failure to remit correct amount.* If an individual who owes taxes fails  
16 to remit an amount equal to or in excess of the total of the actual tax due, after error  
17 corrections, and the amount designated on the return for shared revenue:
- 18           1. The department shall reduce the designation for shared revenue to reflect  
19 the amount remitted in excess of the actual tax due, after error corrections, if the  
20 individual remitted an amount in excess of the actual tax due, after error corrections,  
21 but less than the total of the actual tax due, after error corrections, and the amount  
22 originally designated on the return for shared revenue.
- 23           2. The designation for shared revenue is void if the individual remitted an  
24 amount equal to or less than the actual tax due, after error corrections.

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1           (d) *Errors; insufficient refund.* If an individual is owed a refund that does not  
2 equal or exceed the amount designated on the return for shared revenue, after  
3 crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after error corrections, the  
4 department shall reduce the designation for shared revenue to reflect the actual  
5 amount of the refund that the individual is otherwise owed, after crediting under ss.  
6 71.75 (9) and 71.80 (3) and (3m) and after error corrections.

7           (e) *Conditions.* If an individual places any conditions on a designation for  
8 shared revenue, the designation is void.

9           (f) *Void designation.* If a designation for shared revenue is void, the department  
10 shall disregard the designation and determine amounts due, owed, refunded, and  
11 received without regard to the void designation.

12           (g) *Tax return.* The secretary of revenue shall provide a place for the  
13 designations under this subsection on the individual income tax return.

14           (h) *Certification of amounts.* Annually, on or before September 15, the  
15 secretary of revenue shall certify to the department of administration and the state  
16 treasurer all of the following:

17           1. The total amount of the administrative costs, including data processing  
18 costs, incurred by the department in administering this subsection during the  
19 previous fiscal year.

20           2. The total amount received from all designations for shared revenue made by  
21 taxpayers during the previous fiscal year.

22           3. The net amount remaining after the administrative costs, including data  
23 processing costs, under subd. 1. are subtracted from the total received under subd.

24           2.

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1 (i) *Appropriations.* From the moneys received from designations for shared  
2 revenue, an amount equal to the sum of administrative expenses, including data  
3 processing costs, certified under par. (h) 1. shall be deposited in the general fund and  
4 credited to the appropriation account under s. 20.566 (1) (hp), and the net amount  
5 remaining that is certified under par. (h) 3. shall be deposited into the general fund.

6 (j) *Amounts subject to refund.* Amounts designated for shared revenue under  
7 this subsection are not subject to refund to the taxpayer unless the taxpayer submits  
8 information to the satisfaction of the department, within 18 months after the date  
9 on which the taxes are due or the date on which the return is filed, whichever is later,  
10 that the amount designated is clearly in error. Any refund granted by the  
11 department under this paragraph shall be deducted from the moneys received under  
12 this subsection in the fiscal year for which the refund is certified.

13 **SECTION 14.** 71.10 (5n) of the statutes is created to read:

14 71.10 (5n) MEDICAL ASSISTANCE PROGRAM CHECKOFF. (a) *Definitions.* In this  
15 subsection:

16 1. "Department" means the department of revenue.

17 2. "Medical Assistance program" means a program under subch. IV of ch. 49.

18 (b) *Voluntary payments.* 1. 'Designation on return.' Every individual filing an  
19 income tax return who has a tax liability or is entitled to a tax refund may designate  
20 on the return any amount of additional payment or any amount of a refund due that  
21 individual for the Medical Assistance program.

22 2. 'Designation added to tax owed.' If the individual owes any tax, the  
23 individual shall remit in full the tax due and the amount designated on the return  
24 for the Medical Assistance program when the individual files a tax return.

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1           3. 'Designation deducted from refund.' Except as provided in par. (d), if the  
2 individual is owed a refund for that year after crediting under ss. 71.75 (9) and 71.80  
3 (3) and (3m), the department shall deduct the amount designated on the return for  
4 the Medical Assistance program from the amount of the refund.

5           (c) *Errors; failure to remit correct amount.* If an individual who owes taxes fails  
6 to remit an amount equal to or in excess of the total of the actual tax due, after error  
7 corrections, and the amount designated on the return for the Medical Assistance  
8 program:

9           1. The department shall reduce the designation for the Medical Assistance  
10 program to reflect the amount remitted in excess of the actual tax due, after error  
11 corrections, if the individual remitted an amount in excess of the actual tax due, after  
12 error corrections, but less than the total of the actual tax due, after error corrections,  
13 and the amount originally designated on the return for the Medical Assistance  
14 program.

15           2. The designation for the Medical Assistance program is void if the individual  
16 remitted an amount equal to or less than the actual tax due, after error corrections.

17           (d) *Errors; insufficient refund.* If an individual is owed a refund that does not  
18 equal or exceed the amount designated on the return for the Medical Assistance  
19 program, after crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after error  
20 corrections, the department shall reduce the designation for the Medical Assistance  
21 program to reflect the actual amount of the refund that the individual is otherwise  
22 owed, after crediting under ss. 71.75 (9) and 71.80 (3) and (3m) and after error  
23 corrections.

24           (e) *Conditions.* If an individual places any conditions on a designation for the  
25 Medical Assistance program, the designation is void.

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1 (f) *Void designation.* If a designation for the Medical Assistance program is  
2 void, the department shall disregard the designation and determine amounts due,  
3 owed, refunded, and received without regard to the void designation.

4 (g) *Tax return.* The secretary of revenue shall provide a place for the  
5 designations under this subsection on the individual income tax return.

6 (h) *Certification of amounts.* Annually, on or before September 15, the  
7 secretary of revenue shall certify to the department of administration and the state  
8 treasurer all of the following:

9 1. The total amount of the administrative costs, including data processing  
10 costs, incurred by the department in administering this subsection during the  
11 previous fiscal year.

12 2. The total amount received from all designations for the Medical Assistance  
13 program made by taxpayers during the previous fiscal year.

14 3. The net amount remaining after the administrative costs, including data  
15 processing costs, under subd. 1. are subtracted from the total received under subd.

16 2.

17 (i) *Appropriations.* From the moneys received from designations for the  
18 Medical Assistance program, an amount equal to the sum of administrative  
19 expenses, including data processing costs, certified under par. (h) 1. shall be  
20 deposited in the general fund and credited to the appropriation account under s.  
21 20.566 (1) (hp), and the net amount remaining that is certified under par. (h) 3. shall  
22 be credited to the appropriation under s. 20.435 (4) (ht).

23 (j) *Amounts subject to refund.* Amounts designated for the Medical Assistance  
24 program under this subsection are not subject to refund to the taxpayer unless the  
25 taxpayer submits information to the satisfaction of the department, within 18

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1 months after the date on which the taxes are due or the date on which the return is  
2 filed, whichever is later, that the amount designated is clearly in error. Any refund  
3 granted by the department under this paragraph shall be deducted from the moneys  
4 received under this subsection in the fiscal year for which the refund is certified.

5 **SECTION 15.** 79.01 (2d) of the statutes is amended to read:

6 79.01 (2d) There is established an account in the general fund entitled the  
7 “County and Municipal Aid Account.” Beginning with the distributions in 2011, the  
8 total amount to be distributed each year to counties and municipalities from the  
9 county and municipal aid account is \$824,825,715, plus the amount designated  
10 under s. 71.10 (5L).

11 **SECTION 16.** 121.115 of the statutes is created to read:

12 **121.115 Elementary and secondary education materials funding.** The  
13 department shall distribute the moneys appropriated under s. 20.255 (2) (g) to each  
14 school district in proportion to the amount of general equalization aid the school  
15 district is eligible to be paid in the current school year from the appropriation under  
16 s. 20.255 (2) (ac). Payments under this section shall be made annually on the first  
17 Monday of December. Moneys received by a school district under this section shall  
18 be used for the purposes specified under s. 120.13 (5).

19 **SECTION 17.** 121.90 (2) (am) 5. of the statutes is created to read:

20 121.90 (2) (am) 5. Amounts received under s. 121.115 in the current school year.

21 **SECTION 18. Initial applicability.**

22 (1) The treatment of section 71.10 (5k), (5L), and (5n) of the statutes first  
23 applies to taxable years beginning on January 1 of the year in which this subsection  
24 takes effect, except that if this subsection takes effect after July 31 the treatment of

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1 section 71.10 (5k) of the statutes first applies to taxable years beginning on January  
2 1 of the year following the year in which this subsection takes effect.

3 (END)