



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRBs0010/1  
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**ASSEMBLY SUBSTITUTE AMENDMENT 2,  
TO 2005 ASSEMBLY BILL 4**

January 27, 2005 – Offered by Representatives MOULTON, LEMAHIEU, AINSWORTH, NERISON, OTT, SUDER, JESKEWITZ, GUNDERSON, KRAWCZYK, MCCORMICK, VAN ROY, MEYER, M. WILLIAMS, JENSEN, BALLWEG, STRACHOTA, PRIDEMORE, VOS, LAMB, DAVIS, MURSAU, HUNDERTMARK, NISCHKE, TOWNSEND, WIECKERT, STONE, HAHN, LOEFFELHOLZ, UNDERHEIM, LOTHIAN, KERKMAN and ALBERS.

1     **AN ACT** *to amend* 71.83 (1) (c); and *to create* 71.83 (1) (ce) and subchapter XVI  
2             of chapter 71 [precedes 71.98] of the statutes; **relating to:** adopting federal law  
3             as it relates to health savings accounts for state income and franchise tax  
4             purposes, modifying a penalty, and providing a penalty.

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***Analysis by the Legislative Reference Bureau***

This substitute amendment adopts, retroactively to January 1, 2004, for state income and franchise tax purposes, section 1201 of Public Law 108–173 as it relates to claiming a deduction for an amount that a person pays into a health savings account (HSA). The substitute amendment also prohibits the imposition of a penalty on an individual who withdraws funds from his or her medical savings account and deposits those funds into his or her HSA.

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

5             **SECTION 1.** 71.83 (1) (c) of the statutes is amended to read:



