



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 135

**Assembly Substitute
Amendment 3**

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Under **current law**, there are two college savings programs administered by the Wisconsin Office of the State Treasurer, commonly referred to as “EdVest I” and “EdVest II.” Contributions made to an Edvest account, up to a limit of \$3,000 each year for each beneficiary, may be deducted from a contributor’s income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant’s child; the claimant’s grandchild; the claimant’s great-grandchild; or the claimant’s niece or nephew.

Assembly Bill 135, as introduced, made changes to the tax treatment of contributions to a child’s account made by divorced parents and by married couples filing separately. Specifically, Assembly Bill 135 did all of the following: (a) eliminated the requirement that a child must be a parent’s dependent for the parent to be allowed to deduct amounts contributed to the child’s Edvest account from their taxable income; and (b) reduced from \$3,000 to \$1,500 the amount that a married person filing separately from their spouse may deduct from his or her income for state tax purposes based on contributions to the Edvest account of any beneficiary.

The substantive provisions of 2009 Assembly Bill 135 were included in the budget act and are now law.

Assembly Substitute Amendment 3 eliminates the requirement that a contributor to an Edvest account must be related to the beneficiary of the account for contributions to be deductible from the contributor’s income.

Legislative History

Assembly Substitute Amendment 3 was introduced by Representative Molepske, Jr., on October 28, 2009. On October 29, 2009, the Assembly Committee on Colleges and Universities voted to recommend adoption of the amendment and passage of the bill, as amended, on successive votes of Ayes, 11; Noes, 0; and Absent, 1.

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