



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Senate Bill 439	Senate Amendments 1, 2, and 3
<i>Memo published:</i> February 17, 2010	<i>Contact:</i> Margit Kelley, Staff Attorney (266-9280) Richard Sweet, Senior Staff Attorney (266-2982)

2009 Senate Bill 439 adopts federal law that allows taxpayers with adjusted gross incomes over \$100,000 to convert a traditional IRA to a Roth IRA, and allows the income tax from the conversion to be paid over two years, beginning with the 2010 tax year.

The bill also adopts the federal Heroes Earnings Assistance and Relief Tax (HEART) Act of 2008, which gives certain military service members exceptions to IRA contribution and withdrawal limitations, health flexible spending account withdrawal limitations, and gross income inclusion requirements.

Senate Amendment 1 adopts federal law increases in the annual contribution limits to IRAs, removing the gap between Wisconsin and federal IRA contribution limits.

Senate Amendment 2 makes corrections to the bill, as recommended by the Wisconsin Department of Revenue. It deletes the adoption of federal provisions that are irrelevant to Wisconsin taxation, and adopts the federal treatment of combat pay when computing the earned income credit.

Senate Amendment 3 adds a nonstatutory provision to the bill permitting enactment notwithstanding the minimum general fund balance required by s. 20.003 (4), Stats.

Companion Bill

This bill, with amendments, contains the same provisions as 2009 Assembly Bill 648, as amended by Assembly Amendments 1 and 2, which was recommended for passage by committee, and Assembly Amendment 3, which was offered to the Assembly by the Joint Committee on Finance on February 16, 2010.

Legislative History

Senate Amendments 1 and 2 were both offered by Senator Sullivan on February 2, 2010. On February 3, 2010, the Senate Committee on Veterans and Military Affairs, Biotechnology and Financial Institutions recommended adoption of both amendments on votes of Ayes, 4; Noes, 0, and recommended passage of the bill, as amended, on a vote of Ayes, 4; Noes, 0.

Senate Amendment 3 was offered by the Joint Committee on Finance on February 16, 2010. On February 16, 2010, the Joint Committee on Finance recommended adoption of all three amendments on votes of Ayes, 16; Noes, 0, and recommended passage of the bill, as amended, on a vote of Ayes, 15; Noes, 1.

On February 16, 2010, the Senate adopted each of the three amendments and passed the engrossed bill on a vote of Ayes, 33; Noes, 0.

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