



2005 ASSEMBLY BILL 16

January 20, 2005 - Introduced by Representatives LOEFFELHOLZ, SUDER, HAHN, ALBERS, HINES, KRAWCZYK, GRONEMUS, MUSSER, AINSWORTH, HUNDERTMARK, WOOD, HUBLER, GUNDERSON, POPE-ROBERTS, PETROWSKI, VAN ROY, OWENS, LOTHIAN, FREESE, TOWNS, NELSON, OTT and DAVIS, cosponsored by Senators HARSDDORF, OLSEN, ROESSLER, ERPENBACH, ZIEN, A. LASEE, LASSA and KAPANKE. Referred to Committee on Health.

1 **AN ACT** *to amend* 49.665 (4) (a) 1.; and *to create* 49.665 (4) (d) of the statutes;
2 **relating to:** exempting amounts claimed for depreciation of farm equipment
3 for purposes of calculating farm income under the Badger Care health care
4 program.

Analysis by the Legislative Reference Bureau

Under current law, the Department of Health and Family Services (DHFS) administers the Badger Care health care program (BadgerCare). BadgerCare provides health care coverage to eligible low-income children who do not reside with a parent and to eligible low-income families. A child or family is generally considered low-income if the child's or family's income does not exceed 185 percent of the poverty line.

Currently, in calculating an individual's income for BadgerCare, if the individual has farm income, DHFS calculates the amount of that income by adding the amount that the individual claimed for depreciation to the amount of the individual's net taxable income. This bill prohibits DHFS from adding any amounts claimed for depreciation of equipment used in the farm operation to an individual's net taxable farm income for purposes of determining whether an individual meets the income limits for BadgerCare.

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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:

1 **SECTION 1.** 49.665 (4) (a) 1. of the statutes is amended to read:

2 49.665 (4) (a) 1. The family's income does not exceed ~~185%~~ 185 percent of the
3 poverty line, except as provided in par. (at) and except that a family that is already
4 receiving health care coverage under this section may have an income that does not
5 exceed ~~200%~~ 200 percent of the poverty line. ~~The~~ Subject to par. (d), the department
6 shall establish by rule the criteria to be used to determine income.

7 **SECTION 2.** 49.665 (4) (d) of the statutes is created to read:

8 49.665 (4) (d) For purposes of determining a family's or child's income under
9 this section, the department shall exclude from the calculation of farm income any
10 amounts claimed for income tax purposes for depreciation of equipment used in the
11 operation of the farm.

12 **SECTION 3. Initial applicability.**

13 (1) This act first applies to eligibility determinations for the Badger Care health
14 care program that are made on the effective date of this subsection.

15 (END)