State of Wisconsin
2017 - 2018 LEGISLATURE

LRBs0390/1
MES/KRP/TJD:wlj/amn/klm

ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO ASSEMBLY BILL 944

February 22, 2018 – Offered by Representatives DOYLE, C. TAYLOR, BARCA, BILLINGS, CROWLEY, GENRICH, HEBL, HESSELBEIN, HINTZ, KOLSTE, MEYERS, OHNSTAD, POPE, SHANKLAND, SPREITZER and VRUWINK.

AN ACT ***to amend*** 49.45 (23) (a), 49.471 (4) (a) 4. b. and 71.05 (23) (b) 1.; and ***to create*** 49.471 (1) (cr), 49.471 (4g) and 71.05 (23) (be) of the statutes; **relating to:** increasing the personal exemption for certain individuals, Medicaid expansion, and making an appropriation.

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

SECTION 1. 49.45 (23) (a) of the statutes is amended to read:

49.45 **(23)** (a) The department shall request a waiver from the secretary of the federal department of health and human services to permit the department to conduct a demonstration project to provide health care coverage to adults who are under the age of 65, who have family incomes not to exceed ~~100~~ 133 percent of the poverty line ~~before application of the 5 percent income disregard under 42 CFR 435.603 (d)~~, except as provided in s. 49.471 (4g), and who are not otherwise eligible

for medical assistance under this subchapter, the Badger Care health care program under s. 49.665, or Medicare under 42 USC 1395 et seq.

SECTION 2. 49.471 (1) (cr) of the statutes is created to read:

49.471 **(1)** (cr) "Enhanced federal medical assistance percentage" means a federal medical assistance percentage described under 42 USC 1396d (y) or (z).

SECTION 3. 49.471 (4) (a) 4. b. of the statutes is amended to read:

49.471 **(4)** (a) 4. b. ~~The~~ Except as provided in sub. (4g), the individual's family income does not exceed ~~100~~ 133 percent of the poverty line ~~before application of the 5 percent income disregard under 42 CFR 435.603 (d)~~.

SECTION 4. 49.471 (4g) of the statutes is created to read:

49.471 **(4g)** MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. (a) For services provided to individuals described under sub. (4) (a) 4. and s. 49.45 (23), the department shall comply with all federal requirements to qualify for the highest available enhanced federal medical assistance percentage. The department shall submit any amendment to the state medical assistance plan, request for a waiver of federal Medicaid law, or other approval request required by the federal government to provide services to the individuals described under sub. (4) (a) 4. and s. 49.45 (23) and qualify for the highest available enhanced federal medical assistance percentage.

(b) If the department does not qualify for an enhanced federal medical assistance percentage, or if the enhanced federal medical assistance percentage obtained by the department is lower than printed in federal law as of July 1, 2013, for individuals eligible under sub. (4) (a) 4. or s. 49.45 (23), the department shall submit to the joint committee on finance a fiscal analysis comparing the cost to maintain coverage for adults who are not pregnant and not elderly with family

incomes up to 133 percent of the poverty line to the cost of limiting eligibility to those adults with family incomes up to 100 percent of the poverty line. The department may reduce income eligibility for adults who are not pregnant and not elderly from family incomes of up to 133 percent of the poverty line to family incomes of up to 100 percent of the poverty line only if this reduction in income eligibility levels is approved by the joint committee on finance.

SECTION 5. 71.05 (23) (b) 1. of the statutes is amended to read:

71.05 **(23)** (b) 1. A personal exemption of $700 if the taxpayer is required to file a return under s. 71.03 (2) (a) 1. or 2. and $700 for the taxpayer's spouse, except if the spouse is filing separately or as a head of household. For taxable years beginning after December 31, 2017, the exemption under this subdivision may not be claimed by a taxpayer who is eligible for, and claims, the exemption under par. (be).

SECTION 6. 71.05 (23) (be) of the statutes is created to read:

71.05 **(23)** (be) For taxable years beginning after December 31, 2017, a personal exemption calculated as follows if the taxpayer is required to file a return under s. 71.03 (2) (a) 1. or 2.:

1. For a single individual who has a Wisconsin adjusted gross income of less than $12,000, an exemption of $8,260. For a single individual who has a Wisconsin adjusted gross income of at least $12,000, the exemption is the amount obtained by subtracting from $8,260 15.75 percent of Wisconsin adjusted gross income in excess of $12,000 but not less than $0, except that if the single individual's Wisconsin adjusted gross income is more than $60,000, the individual may not claim the exemption under this paragraph but the individual may claim the exemption under par. (b).

2. For a head of household who has a Wisconsin adjusted gross income of less than $14,000, an exemption of $8,260. For a head of household who has a Wisconsin adjusted gross income of at least $14,000, the exemption is the amount obtained by subtracting from $8,260 13.50 percent of Wisconsin adjusted gross income in excess of $14,000 but not less than $0, except that if the head of household's Wisconsin adjusted gross income is more than $70,000, the individual may not claim the exemption under this paragraph but the head of household may claim the exemption under par. (b).

3. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of less than $20,000, an exemption of $16,520 for the married couple. For a married couple filing jointly that has an aggregate Wisconsin adjusted gross income of at least $20,000, the exemption is the amount obtained by subtracting, for the married couple, from $16,520 18.90 percent of aggregate Wisconsin adjusted gross income in excess of $20,000 but not less than $0, except that if the married couple's Wisconsin aggregate adjusted gross income is more than $100,000, the couple may not claim the exemption under this paragraph but the married couple may claim the exemption under par. (b).

4. For a married individual filing separately who has a Wisconsin adjusted gross income of less than $10,000, an exemption of $8,260. For a married individual filing separately who has a Wisconsin adjusted gross income of at least $10,000, the exemption is the amount obtained by subtracting from $8,260 18.90 percent of Wisconsin adjusted gross income in excess of $10,000 but not less than $0, except that if the individual's Wisconsin adjusted gross income is more than $50,000, the individual may not claim the exemption under this paragraph but the individual may claim the exemption under par. (b).

SECTION 7. Fiscal changes.

(1) MEDICAID EXPANSION. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of health services under section 20.435 (4) (b) of the statutes, the dollar amount for fiscal year 2018–19 is decreased by $203,000,000 to provide Medical Assistance to certain adults with family incomes up to 133 percent of the federal poverty line.

SECTION 8. Effective date.

(1) MEDICAID EXPANSION. The treatment of sections 49.45 (23) (a) and 49.471 (1) (cr), (4) (a) 4. b., and (4g) of the statutes and SECTION 7 (1) of this act take effect on July 1, 2018, or on the day after publication, whichever is later.

(END)