Health Savings Accounts  
Fact Sheet 1105
However, an adjustment may be made if all of the following are true:

(1) You had a federal HSA prior to 2011
(2) You were not allowed a deduction for Wisconsin for contributions to that account
(3) You reported the earnings on the account as income
(4) You had a balance in the account as of December 31, 2010

If this is the case, to the extent 2019 distributions are attributable to the pre-2011 balance less 2011-2017 distributions, all of the following apply:

- The portion of the distribution that was used to pay medical expenses can be used as an itemized deduction when computing the Wisconsin itemized deduction credit
- Any portion of the distribution not used for medical expenses that is taxable for federal purposes is not taxable for Wisconsin
- Any portion of the distribution that was not used for medical expenses that is subject to a federal penalty is not subject to a Wisconsin penalty

Individuals must file Wisconsin Schedule I, Adjustments to Convert 2019 Federal Adjusted Gross Income and Itemized Deductions to the Amounts Allowable for Wisconsin, to adjust for the difference between the Wisconsin and federal tax treatment of distributions from the pre-2011 balance of an HSA. A worksheet is included in the 2019 Schedule I instructions to aid in determining the necessary adjustment.

### Additional Information or Comments

- Visit the department’s [website](#) for electronic versions of all Wisconsin tax forms and publications
- Email your questions or comments to [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov)
- Contact our Customer Service Bureau at (608) 266-2486
- Contact any [Department of Revenue office](#)
Applicable Laws and Rules
This document provides statements or interpretations of the following laws and regulations in effect as of February 4, 2020: Section 71.01(6)(L), Wis. Stats., and 26 U.S.C. § 223

Laws enacted and in effect after February 4, 2020, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to February 4, 2020, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

Certification Statement
As the Secretary of the Wisconsin Department of Revenue (DOR), I have reviewed this guidance document or proposed guidance document and I certify that it complies with secs. 227.10 and 227.11, Wis. Stats.. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or rule that has been lawfully promulgated. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is more restrictive than a standard, requirement, or threshold contained in the Wisconsin Statutes.

DEPARTMENT OF REVENUE

Peter Barca
Secretary of Revenue

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