



1997 ASSEMBLY BILL 847

March 2, 1998 - Introduced by Representatives KREIBICH, SCHAFFER, ALBERS, BALDWIN, DOBYNS, FREESE, GOETSCH, GREEN, GROTHMAN, HAHN, HANSON, KELSO, F. LASEE, MEYER, MURAT, MUSSEY, OTT, PLALE, PLOUFF, SPRINGER, SYKORA, TURNER, WARD, L. YOUNG and ZUKOWSKI, cosponsored by Senators DARLING, DRZEWIECKI, SCHULTZ and ROESSLER. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT** *to create* 71.05 (6) (b) 25. of the statutes; **relating to:** exempting from
2 income taxation any amount of interest paid on certain loans that are used for
3 educational expenses.

Analysis by the Legislative Reference Bureau

This bill creates an individual income tax exemption for any amount of interest that is paid on certain loans. The loans to which the exemption applies are loans that are used to pay for tuition and other educational expenses, including child care costs that are necessitated by the student's attendance at school, that are directly related to attendance at certain accredited, nonprofit, postsecondary educational institutions.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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:

4 **SECTION 1.** 71.05 (6) (b) 25. of the statutes is created to read:
5 71.05 (6) (b) 25. Any amount of interest paid on a loan, the proceeds of which
6 are used to pay for tuition, fees, books and educational supplies; miscellaneous

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1 educational expenses, as determined by the department of revenue; and child care
2 costs, as determined by the department of revenue, that are necessitated by the
3 student's attendance at an eligible educational institution, as defined in s. 18.81 (2);
4 that are directly related to attendance at an eligible educational institution.

5 **SECTION 2. Initial applicability.**

6 (1) This act first applies to taxable years beginning on January 1 of the year
7 in which this subsection takes effect, except that if this subsection takes effect after
8 July 31, this act first applies to taxable years beginning on January 1 of the year
9 following the year in which this subsection takes effect.

10

(END)