AN ACT to renumber 231.01 (4m) (a) and (b); to amend 231.01 (4m) (intro.) and
2
231.01 (5w); and to create 71.05 (1) (c) 7., 71.26 (1m) (h), 71.45 (1t) (h) and
3
231.01 (4m) (b) of the statutes; relating to: creating an individual and
corporate income tax exemption for interest on bonds or notes issued by the
Wisconsin Health and Educational Facilities Authority for purposes related to
an educational facility and authorizing the Wisconsin Health and Educational
Facilities Authority to issue bonds to finance a project undertaken by the
Wisconsin Association of Independent Colleges and Universities related to an
educational facility.

Analysis by the Legislative Reference Bureau

Under current law, the Wisconsin Health and Educational Facilities Authority
(WHEFA) may issue bonds to finance any project undertaken by an educational
institution for an educational facility. The bill creates an individual and corporate
income tax exemption for bonds issued by WHEFA for that purpose on or after the
effective date of the bill. An educational institution is currently defined to mean a
corporation, agency, or association that is authorized by state law to provide or
operate an educational facility. The bill expands that definition to include the
Wisconsin Association of Independent Colleges and Universities. An educational facility is currently defined to mean a private, nonprofit, regionally accredited, postsecondary educational institution. The bill expands that definition to include an institution, place, building, or other structure used by the Wisconsin Association of Independent Colleges and Universities solely for providing one or more supporting services to one or more 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:

SECTION 1. 71.05 (1) (c) 7. of the statutes is created to read:

71.05 (1) (c) 7. The Wisconsin Health and Educational Facilities Authority under s. 231.03 (6) (c), on or after the effective date of this subdivision .... [revisor inserts date], to finance any project undertaken for an educational facility.

SECTION 2. 71.26 (1m) (h) of the statutes is created to read:

71.26 (1m) (h) Those issued under s. 231.03 (6) (c) on or after the effective date of this paragraph .... [revisor inserts date].

SECTION 3. 71.45 (1t) (h) of the statutes is created to read:

71.45 (1t) (h) Those issued under s. 231.03 (6) (c) on or after the effective date of this paragraph .... [revisor inserts date].

SECTION 4. 231.01 (4m) (intro.) of the statutes is amended to read:

231.01 (4m) (intro.) “Educational facility” means any of the following:

(a) A facility used for education by a private institution that is described in section 501 (c) (3) of the Internal Revenue Code, as defined in s. 71.22 (4), and that is exempt from federal taxation under section 501 (a) of the Internal Revenue Code, and that satisfies any of the following:
SECTION 5. 231.01 (4m) (a) and (b) of the statutes are renumbered 231.01 (4m)

(a) 1. and 2.

SECTION 6. 231.01 (4m) (b) of the statutes is created to read:

231.01 (4m) (b) An institution, place, building, or other structure used by the Wisconsin Association of Independent Colleges and Universities solely for providing one or more supporting services to one or more institutions specified in par. (a).

SECTION 7. 231.01 (5w) of the statutes is amended to read:

231.01 (5w) “Participating educational institution” means the Wisconsin Association of Independent Colleges and Universities or a corporation, agency, or association which is authorized by state law to provide or operate an educational facility and which, if the Wisconsin Association of Independent Colleges and Universities or the corporation, agency, or association undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in this chapter.

SECTION 8. Initial applicability.

(1) The treatment of sections 71.05 (1) (c) 7., 71.26 (1m) (h), and 71.45 (1t) (h) of the statutes first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 the treatment of sections 71.05 (1) (c) 7., 71.26 (1m) (h), and 71.45 (1t) (h) of the statutes first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

(END)