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## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

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<b>2003 Wisconsin Act 85</b> [2003 Assembly Bill 98]	<b>Tax Exemption for Interest on WHEDA Bonds and Notes</b>
2003 Acts: <a href="http://www.legis.state.wi.us/2003/data/acts/">www.legis.state.wi.us/2003/data/acts/</a>	Act Memos: <a href="http://www.legis.state.wi.us/lc/act_memo/act_memo.htm">www.legis.state.wi.us/lc/act_memo/act_memo.htm</a>

2003 Wisconsin Act 85 creates an individual and corporate state income tax exemption for interest on bonds or notes issued by the Wisconsin Housing and Economic Development Authority (WHEDA) for purposes related to multifamily affordable housing projects or elderly housing projects. The Act also repeals an exemption for bonds issued to fund a loan for the development of certain cultural and architectural landmarks. No bonds have ever been issued under this exemption.

Act 85 provides that for the first three years that the exemption is in effect, WHEDA must reimburse the state for tax revenue lost due to the exemption. Specifically, WHEDA must pay into the State Treasury an amount equal to the cost of the tax exemption in the previous 12 months, as determined jointly by the Secretary of the Department of Administration and WHEDA, by the last day of the 12th, 24th, and 36th months beginning after the effective date of the bill.

**Effective Date:** 2003 Wisconsin Act 85 takes effect on January 1, 2004.

**Prepared by:** Laura Rose, Deputy Director

January 6, 2004

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents.