



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Senate Bill 63

Senate Amendments 1 , 2, and 3

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2009 Senate Bill 63 creates an income and franchise tax credit for businesses that pay tuition for an individual to attend a university, college, or technical college. The credit may be claimed by sole proprietorships, corporations and insurers, and may be passed through to partners, members, and shareholders of partnerships, limited liability companies, and tax-option corporations.

Generally, the credit may be claimed in the amount of 25% of tuition paid for an individual to participate in an education program of a qualified post-secondary institution, if the individual was enrolled in a course of instruction. A taxpayer may claim a credit of 30% of tuition paid if the individual is enrolled in a course of instruction that relates to a projected worker shortage as determined by local workforce development boards. The credit may be claimed for the taxable year in which the individual graduates from a course of instruction, in an amount equal to the total amount of tuition paid for the individual, including amounts paid in previous taxable years. The bill specifies that the credit may not be claimed under certain conditions, including:

- When tuition was paid by the claimant for certain family members.
- In situations that require an individual to reimburse a claimant for tuition paid.
- When tuition was previously excluded from taxation under s. 71.05 (6) (b) 28., Stats., or section 127 of the Internal Revenue Code.

Senate Amendment 1 revises the definition of “course of instruction” to have the meaning given in s. 38.50 (1) (c), Stats. Section 38.50 (1) (c), Stats., states:

“Course of instruction” means a series of classroom or correspondence courses having a unified purpose which lead to a diploma or degree or to an occupational or vocational objective.

Senate Amendment 2 limits the credit to tuition paid for individuals who are eligible for a grant from the federal Pell Grant program.

Senate Amendment 3 clarifies that a claimant may not claim the credit for any tuition amounts that the claimant paid for individuals who are not Wisconsin residents. The amendment also modifies the effective date of the bill to be contingent on the date of the bill's enactment and makes a technical substitution of "individual" for "claimant" in sections of the bill that limit the availability of the credit.

Legislative History

Senate Amendments 1 and 2 were offered by Senator Lassa. The Senate Committee on Economic Development offered Senate Amendment 3. On August 18, 2009, the Senate Committee on Economic Development recommended adoption of Senate Amendments 1, 2, and 3 by votes of Ayes, 7; Noes, 0. The committee then recommended passage of Senate Bill 63, as amended, by a vote of Ayes, 6; Noes, 1.

SG:ksm