State of Wisconsin
2011 - 2012 LEGISLATURE

LRB–0687/P1
JK:jld:rs

DOA:.....Skwarczek, BB0142 – Tax exemption for interest earned from bonds issued by WHEFA

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

TAXATION

INCOME TAXATION

Under current law, the interest income from bonds issued by WHEFA is exempt from income taxation if the bond proceeds are used by a health facility to acquire information technology hardware or software. Under this bill, the interest income from bonds issued by WHEFA is also exempt from income taxation if the bonds are issued to a person who is eligible to receive bonds from another issuer for the same purpose and the interest income received from the other bonds is exempt from taxation.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the 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) 11. of the statutes is created to read:

71.05 **(1)** (c) 11. The Wisconsin Health and Educational Facilities Authority under s. 231.03 (6), if the bonds or notes are issued to a person who is eligible to receive bonds or notes from another issuer for the same purpose for which the person is issued bonds or notes under s. 231.03 (6) and the interest income received from the other bonds or notes is exempt from taxation under this subchapter.

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

71.26 **(1m)** (L) Those issued under s. 231.03 (6), if the bonds or notes are issued to a person who is eligible to receive bonds or notes from another issuer for the same purpose for which the person is issued bonds or notes under s. 231.03 (6) and the interest income received from the other bonds or notes is exempt from taxation under this subchapter.

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

71.45 **(1t)** (L) Those issued under s. 231.03 (6), if the bonds or notes are issued to a person who is eligible to receive bonds or notes from another issuer for the same purpose for which the person is issued bonds or notes under s. 231.03 (6) and the interest income received from the other bonds or notes is exempt from taxation under this subchapter.

SECTION 9341. Initial applicability; Revenue.

(1) INTEREST INCOME EXEMPTION. The treatment of sections 71.05 (1) (c) 11., 71.26 (1m) (L), and 71.45 (1t) (L) of the statutes first applies to taxable years beginning on January 1, 2011.

(END)