



2005 ASSEMBLY BILL 555

July 7, 2005 - Introduced by Representatives WIECKERT, JENSEN, NISCHKE, McCORMICK, MUSSER, VOS, VAN ROY, TOWNSEND, BALLWEG, NASS, LOTHIAN, JESKEWITZ, HINES, OTT and VRAKAS, cosponsored by Senator A. LASEE. Referred to Committee on Colleges and Universities. Referred to Joint Survey Committee on Tax Exemptions.

1 **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
4 corporate income tax exemption for interest on bonds or notes issued by the
5 Wisconsin Health and Educational Facilities Authority for purposes related to
6 an educational facility and authorizing the Wisconsin Health and Educational
7 Facilities Authority to issue bonds to finance a project undertaken by the
8 Wisconsin Association of Independent Colleges and Universities related to an
9 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

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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:

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

2 71.05 (1) (c) 7. The Wisconsin Health and Educational Facilities Authority
3 under s. 231.03 (6) (c), on or after the effective date of this subdivision [revisor
4 inserts date], to finance any project undertaken for an educational facility.

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

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

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

9 71.45 (1t) (h) Those issued under s. 231.03 (6) (c) on or after the effective date
10 of this paragraph [revisor inserts date].

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

12 231.01 (4m) (intro.) “Educational facility” means -a- any of the following:

13 (a) A facility used for education by a private institution that is described in
14 section 501 (c) (3) of the Internal Revenue Code, ~~as defined in s. 71.22 (4), and~~ and that
15 is exempt from federal taxation under section 501 (a) of the Internal Revenue Code,
16 and that satisfies any of the following:

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1 **SECTION 5.** 231.01 (4m) (a) and (b) of the statutes are renumbered 231.01 (4m)
2 (a) 1. and 2.

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

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

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

8 231.01 (**5w**) “Participating educational institution” means the Wisconsin
9 Association of Independent Colleges and Universities or a corporation, agency, or
10 association ~~which~~ that is authorized by state law to provide or operate an educational
11 facility ~~and which,~~ if the Wisconsin Association of Independent Colleges and
12 Universities or the corporation, agency, or association undertakes the financing and
13 construction or acquisition of a project or undertakes the refunding or refinancing
14 of obligations or of a mortgage or of advances as provided in this chapter.

15 **SECTION 8. Initial applicability.**

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

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(END)