



2001 ASSEMBLY BILL 423

May 31, 2001 - Introduced by Representatives WIECKERT, PLALE, JENSEN, McCORMICK, SUDER, MONTGOMERY, TOWNSEND, J. LEHMAN, POWERS, LADWIG, VRAKAS, F. LASEE, OTT and RICHARDS, cosponsored by Senators GEORGE, WIRCH, HANSEN, DARLING and ROESSLER. Referred to Committee on Colleges and Universities. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT** *to renumber and amend* 231.01 (4m); *to amend* 231.01 (5w); and *to*
2 *create* 71.05 (1) (c) 7., 71.26 (1m) (h), 71.45 (1t) (h) and 231.01 (4m) (b) of the
3 statutes; **relating to:** creating an individual and corporate income and
4 franchise tax exemption for interest on bonds or notes issued by the Wisconsin
5 Health and Educational Facilities Authority for purposes related to an
6 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 income and corporate income and franchise tax exemption for bonds issued by WHEFA for that purpose. An educational institution is defined to mean a corporation, agency, or association that is authorized by state law to provide or operate an educational facility. The bill provides that an educational institution also means the Wisconsin

ASSEMBLY BILL 423

Association of Independent Colleges and Universities. Current law defines an educational facility to mean a private, nonprofit, regionally accredited, postsecondary educational institution. The bill provides that an educational facility also means 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 and local* 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) to finance any project undertaken for an educational facility.

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

5 71.26 (1m) (h) Those issued under s. 231.03 (6) (c).

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

7 71.45 (1t) (h) Those issued under s. 231.03 (6) (c).

8 **SECTION 4.** 231.01 (4m) of the statutes is renumbered 231.01 (4m) (intro.) and
9 amended to read:

10 231.01 (4m) (intro.) "Educational facility" means ~~a~~ any of the following:

11 (a) A regionally accredited, private, postsecondary educational institution that
12 is described in section 501 (c) (3) of the Internal Revenue Code, ~~as defined in s. 71.22~~
13 ~~(4), and~~ and that is exempt from federal taxation under section 501 (a) of the Internal
14 Revenue Code.

15 **SECTION 5.** 231.01 (4m) (b) of the statutes is created to read:

