



## 2009 SENATE BILL 166

April 9, 2009 - Introduced by Senators DARLING, LEIBHAM, KEDZIE, A. LASEE, HOPPER, SCHULTZ, PLALE and TAYLOR, cosponsored by Representatives VOS, KNODL, GUNDERSON, A. OTT, BIES, JORGENSEN, LOTHIAN, KRAMER, BROOKS, MURTHA, KLEEFISCH, STRACHOTA, NASS, SPANBAUER and VAN ROY. Referred to Committee on Health, Health Insurance, Privacy, Property Tax Relief, and Revenue.

1     **AN ACT to create** 71.05 (6) (b) 47. of the statutes; **relating to:** creating an  
2             individual income tax deduction for any amount of interest paid on certain  
3             loans that are used for educational expenses.

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### *Analysis by the Legislative Reference Bureau*

Generally under current federal law, students may claim an income tax deduction for up to \$2,500 of interest that they pay each year on qualified student loans for themselves, their spouse, or their dependents. This federal deduction phases out as the claimant's modified adjusted gross income increases.

This bill creates an individual income tax deduction for any amount of interest that is paid on certain educational expenses loans. The loans to which the exemption applies are loans that are used to pay for tuition and other educational expenses that are directly related to the claimant's, or the claimant spouse's, attendance at certain accredited, nonprofit, postsecondary educational institutions.

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.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

