



State of Wisconsin  
1997 - 1998 LEGISLATURE

LRBs0601/2  
MES:jlj:jf

**ASSEMBLY SUBSTITUTE AMENDMENT 1,  
TO 1997 ASSEMBLY BILL 847**

March 23, 1998 - Offered by Representative KREIBICH.

1 **AN ACT to repeal** 71.05 (6) (b) 27.; and **to create** 71.05 (6) (b) 27. of the statutes;  
2 **relating to:** exempting from income taxation any amount of interest paid on  
3 certain loans that are used for educational expenses.

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

4 **SECTION 1.** 71.05 (6) (b) 27. of the statutes is created to read:  
5 71.05 (6) (b) 27. An amount of interest paid on a loan, the proceeds of which are  
6 used to pay for tuition, fees, books or educational supplies; miscellaneous  
7 educational expenses, as determined by the department; or child care costs, as  
8 determined by the department, that are necessitated by, and directly related to, the  
9 taxpayer's attendance at an eligible educational institution, as defined in s. 18.81 (2).  
10 The maximum amount of interest that may be subtracted under this subdivision is  
11 the following:

1 a. For taxable years that begin after December 31, 1997, and before January  
2 1, 1999, \$1,000.

3 b. For taxable years that begin after December 31, 1998, and before January  
4 1, 2000, \$1,500.

5 c. For taxable years that begin after December 31, 1999, and before January  
6 1, 2001, \$2,000.

7 d. For taxable years that begin after December 31, 2000, \$2,500.

8 **SECTION 2.** 71.05 (6) (b) 27. of the statutes, as created by 1997 Wisconsin Act  
9 .... (this act), is repealed.

10 **SECTION 3. Initial applicability.**

11 (1) The repeal of section 71.05 (6) 27. of the statutes first applies to taxable  
12 years beginning on January 1 of the year in which this subsection takes effect.

13 **SECTION 4. Effective dates.** This act takes effect on the day after publication,  
14 except as follows:

15 (1) The repeal of section 71.05 (6) (b) 27. of the statutes and SECTION 3 (1) of this  
16 act take effect on the day that section 202 of P.L. 105-34 is adopted for Wisconsin  
17 purposes and takes effect in this state.

18 (END)