



Legislative Briefs

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HIGHER EDUCATION TUITION

The 1997 Wisconsin Legislature created or modified several programs to assist Wisconsin residents with the rising costs of higher education.

HIGHER EDUCATION TAX DEDUCTION

1997 Wisconsin Act 237 (the budget adjustment act) provides a tax deduction for higher education tuition paid for a taxpayer or a taxpayer's dependent commencing in the 1998 tax year. A tax deduction of up to \$3,000 per student may be claimed for the cost of tuition paid to any Wisconsin university, college, technical college or proprietary school approved by the Educational Approval Board. The deduction also applies to tuition expenses to attend a public technical college or public institution of higher education in Minnesota under the Minnesota-Wisconsin reciprocity agreement. The maximum amount of the deduction phases down to zero as the claimant's income rises. The claimant may be the individual student or a tax filer who lists the student as a dependent for tax purposes.

PREPAY COLLEGE TUITION PROGRAM

The 1995 Wisconsin Legislature established a college tuition prepayment program, known as "EdVest Wisconsin", allowing parents or grandparents to purchase tuition credits that students can apply in the future at approved public and private institutions of higher education. 1997 Wisconsin Act 158 (introduced as 1997 Assembly Bill 595), which took effect May 6, 1998, also allows an aunt, uncle, legal guardian or a trust to enter into a contract to purchase tuition units for a beneficiary named in the contract. In addition, an individual can contract on his or her own behalf. At the time the contract is executed, the beneficiary or the purchaser must be a Wisconsin resident (or have been created or organized under Wisconsin law in the case of a corporate trust or guardian).

HIGHER EDUCATIONAL AIDS BOARD TUITION GRANTS

The Higher Educational Aids Board (HEAB) administers a program that awards tuition grants to resident undergraduate students who are enrolled at least half-time in an accredited, nonprofit higher educational institution or a tribal-controlled college in Wisconsin. Beginning with the 1998-99 academic year, 1997 Wisconsin Act 222 (introduced as 1997 Assembly Bill 776) increases the maximum amount of the tuition grants to \$1,150 per semester or \$2,300 per academic year (from \$1,086 and \$2,172, respectively). The minimum grant is \$250.

TUITION EXEMPTION

Effective May 6, 1998, 1997 Wisconsin Act 163 (introduced as 1997 Senate Bill 271) expands the tuition exemptions at Wisconsin technical colleges or the University of Wisconsin

System for families of correctional officers, fire fighters or law enforcement officers killed in the line of duty. Prior to enactment of Act 163, children of fire fighters or law officers killed in the line of duty were granted a tuition exemption if they were enrolled as undergraduates at the University of Wisconsin System or in a college transfer program or a program leading to an associate degree or a vocational diploma at a Wisconsin technical college, provided they were Wisconsin residents under the age of 21. Children of correctional officers killed in the line of duty received a similar waiver of tuition at University of Wisconsin campuses but not at technical colleges. Act 163 extends the tuition exemption for this group to technical colleges. It also gives the surviving spouse of a correctional officer, fire fighter or law enforcement officer killed in the line of duty a tuition exemption at the University of Wisconsin or the Wisconsin Technical College Systems, if enrolled in the same type of program as previously described for surviving children.

FOR FURTHER INFORMATION

For copies of the acts mentioned, contact the Legislative Reference Bureau at (608) 266-0342. Acts can be downloaded from the legislature's website at <http://www.legis.state.wi.us/billtrack.html>. For more detailed information about the **Prepay College Tuition Program**, contact the Department of Administration, EdVest Wisconsin Program at (888) 338-3789 (toll free) or (608) 264-7899 (Madison area). Contact the Higher Educational Aids Board) at (608) 267-2212 regarding the **HEAB Tuition Grants**. For the **Tuition Fee Exemption**, contact either the University of Wisconsin System at (608) 262-6715 or the Wisconsin Technical College System at (608) 266-1433.