

**WISCONSIN DEPARTMENT OF REVENUE
DIVISION OF INCOME, SALES, AND EXCISE TAX**

NOTICE OF PROPOSED GUIDANCE DOCUMENTS

Pursuant to sec. 227.112, Wis. Stats., the Wisconsin Department of Revenue, Division of Income, Sales, and Excise Taxes hereby seeks comment on the proposed guidance document listed in the table below.

SUBMITTING PUBLIC COMMENTS

Public comments on proposed or adopted guidance documents may be submitted online at: <https://www.revenue.wi.gov/Pages/contactUs/proposed-Guidance.aspx>.

DEADLINE FOR SUBMISSION

The period for public comment for proposed guidance documents ends 21 days after publication in the Administrative Register, unless the Governor approves a shorter commenting period.

Document Number	Document Title
100102	College Tuition - Common Questions

State of Wisconsin
Department of Revenue

College Tuition

This is a proposed guidance document. The document has been submitted to the Legislative Reference Bureau for publication in the Administrative Register for public comment as provided by sec. 227.112(1), Wis. Stats.

1. What is the audit relief provided in 2019 Wis. Act 10?
2. Does the reduction apply to additional state, county, and stadium sales tax imposed in the audit?
3. Are the annual gross sales determined by audit or as reported by the taxpayer on their tax returns?
4. Does the reduction apply if the annual gross sales for any year included in the audit determination are \$5 million or greater?

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1. Who may claim the college tuition subtraction?
 2. What is the maximum amount of college tuition subtraction?
 3. What are eligible tuition and fee expenses?
 4. Is a list available of schools that qualify for the subtraction for tuition paid for higher education?
 5. Do part-year residents and nonresidents qualify for the college tuition subtraction?

1. Who may claim the college tuition subtraction?

Generally, you may claim the subtraction if all of the following are true:

- You pay tuition and fee expenses of higher education at a qualifying school
- You pay the tuition and fee expenses for an eligible student
- The eligible student is yourself, your spouse, or your dependent for whom you claim an exemption on your income tax return
- You meet certain income limitations

2. What is the maximum amount of the college tuition subtraction?

Year	Subtraction
2019	\$6,974
2018	\$6,974

Year	Subtraction
2017	\$6,958
2016	\$6,943
2015	\$6,943

The subtraction is phased down if your income is between:

Year	Single or Head of Household	Married Filing Joint	Married Filing Separate
2019	\$55,651 - \$66,779	\$89,041 - \$111,299	\$44,521 - \$55,649
2018	\$54,191 - \$65,029	\$86,701 - \$108,379	\$43,351 - \$54,189
2017	\$53,161 - \$63,789	\$85,051 - \$106,309	\$42,531 - \$53,159
2016	\$52,601 - \$63,119	\$84,161 - \$105,199	\$42,081 - \$52,599
2015	\$52,501 - \$62,999	\$83,991 - \$104,989	\$42,001 - \$52,499

Note: You cannot take the subtraction if your income is greater than the highest amount indicated above for each filing status.

3. What are eligible tuition and fee expenses?

The subtraction only applies to tuition and mandatory fees. Amounts paid as separate charges for other items such as room and board, athletic tickets, or other costs may not be subtracted. A subtraction may not be claimed for tuition and fees paid with certain tax-free funds. For example, tuition paid with tax-free scholarships or Pell grants or amounts paid or reimbursed to you by your employer. The subtraction for tuition and fees does not apply to tuition or fees paid to pre-schools, elementary, or secondary schools.

A subtraction may also not be claimed if the source of the payment is an amount withdrawn from a Wisconsin Edvest or Tomorrow's Scholar college savings program or college tuition unit program. This limitation applies only if the owner of the account or other person who contributed to the account previously claimed a subtraction for contributions to these programs.

4. Is a list available of schools that qualify for the subtraction for tuition paid for higher education?

An all-inclusive list is not available. Qualifying tuition is tuition paid for:

- Classes in Wisconsin at a school which qualifies as a university, college, or technical college including:
 - University of Wisconsin
 - Wisconsin private colleges (for list see wisconsinsprivatecolleges.org/colleges)
 - Wisconsin technical colleges (for list see wtcsystem.edu/colleges)

The lists above do not include non-Wisconsin colleges that provide classes in Wisconsin.

- Classes in Wisconsin at other post-secondary schools that have been approved through the Educational Approval Program (for list see dspseap.wi.gov/resources/schoolsprogram.asp.)
- Classes in Minnesota at a public vocational school or public institution of higher education in Minnesota under the Minnesota-Wisconsin tuition reciprocity agreement, and
- Classes outside Wisconsin provided the tuition is paid to a university, college or technical college located in Wisconsin.

5. Do part-year residents and nonresidents qualify for the college tuition subtraction?

Yes, as long as the person meets the income limitations and the tuition is paid to one of the qualifying schools listed in 4. above.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations in effect as of November 1, 2019: Section 71.05, Wis. Stats.

Laws enacted and in effect after November 1, 2019, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to November 1, 2019, that is contrary to the information in this document is superseded by this document, pursuant to sec. 73.16(2)(a), Wis. Stats.

FOR QUESTIONS OR COMMENTS CONTACT:

MS 5-77

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