Bill Position
Board of Regents - University of Wisconsin System
2015-16 Legislative Session

SB 739
Eliminating the Cap on Student Loan Interest Tax Deduction

LEGISLATION

Authors: Representative David Murphy and Senator Howard Marklein

This bill creates an individual income tax subtract modification, or deduction, for interest paid by a claimant on certain qualified education loans, to the extent that the claimant has not already deducted such interest from his federal taxes.

Under federal law, a deduction for qualified education loan exists but the deduction is capped at $2,500 per year, and the maximum deduction mount is phased down to zero as the claimant’s income rises to the annual income limit that is set under federal law.

UW SYSTEM POSITION: SUPPORT

This legislation was drafted in close consultation with the UW System administration. UW System institutions have taken significant steps towards reducing student costs and helping reduce student debt wherever possible. This will be another tool available to students to help reduce negative economic impact of student debt.

The Office of University Relations offers a position in support of this legislation.