

The Wisconsin Tax Deduction for Private K-12 Tuition Expenses

Overview

The tax deduction is one way the state can affirm the vital role parents play in their children's education by giving families meaningful choices in where and how children are educated.

Thanks to WCRIS advocacy, Wisconsin Act 20 established a K-12 tuition tax deduction (see Wis. Stat. s. 71.05(6)(b)49) starting in the 2014 tax year. Taxpayers may deduct the private and religious school tuition expenses they have paid, up to \$4,000 for each dependent child in Kindergarten through eighth grade and up to \$10,000 for each dependent child in grades nine through twelve. **The tuition expenses must have been paid on or after January 1 through December 31.**

Benefit to Private School Families

The amount that any one family or individual saves is partly dependent on income, how they file, and the resulting tax liability. The deduction is most beneficial to people whose tuition expenses are within the allowable deduction per child and have incomes that incur at least some tax liability. **This is not a tax credit.**

Eligibility

Anyone who pays tuition expenses at a private K-12 school is eligible. The deduction applies to tuition expenses paid at an institution that meets the definition of a private school under Wisconsin Statutes s. 118.165. A person may claim the deduction for payments made toward a pupil's tuition and mandatory book fees for an eligible institution. A list of recognized private schools can be found at, <https://apps4.dpi.wi.gov/SchoolDirectory/Search/PrivateSchoolsSearch>.

Exceptions to What is Deductible

If the child receives a scholarship or financial assistance from the private school the taxpayer(s) can only claim the expenses **that they have actually paid**. Also, tuition does not include amounts paid with a voucher or any amounts paid out as a separate charge, such as*:

- Room and board
- Supplies
- Cap and gown fees
- Rentals of equipment
- Meals
- Transportation
- Building
- Personal use items (i.e. uniforms, gym clothes, towels)
- Before-school and after-school child care
- Social and extracurricular activities, including musical or athletic activity fees
- Registration fees
- High school classes not required for graduation and for which no credits towards graduation are given

Claiming the Deduction

Families need to make certain that the school where their dependent child is enrolled meets the statutory definition of a private school. The list can be found here: <https://apps4.dpi.wi.gov/SchoolDirectory/Search/PrivateSchoolsSearch>. Next, find the federal employer ID number (FEIN) of the school and save payment records (receipts, etc.) as supporting documentation for your tax record. The Wisconsin Department of Revenue (DOR) 2015 draft publication, Schedule PS is available here: <https://www.revenue.wi.gov/forms/2015/SchedulePS.pdf> with more information on how to claim the deduction. The official document to use for the tax deduction for the upcoming tax season will be posted on the DOR website once it is available, usually in late Fall.

Students Transitioning Between 8th and 9th Grade

If a student is in both elementary school and secondary school in the same taxable year (i.e. a student goes from eighth to ninth grade), the taxpayer may claim the tuition expenses that were paid for each grade up to the respective limits for each student category (elementary and secondary), but the total deduction amount can not exceed \$10,000.

* Based on Wisconsin DOR 2015 draft publication, Schedule PS, available here:
<https://www.revenue.wi.gov/forms/2015/SchedulePS.pdf>

For more information contact:

Wisconsin Department of Revenue
Customer Service Bureau
PO Box 8949
Madison WI 53708-8949
Phone: (608) 266-2486
Email: income@revenue.wi.gov

OR

WI Council of Religious & Independent Schools
110 E. Main St., Suite 802
Madison, WI 53703
Phone: (608) 287-1224
Email: wcris.staff@wcris.org