



PO Box 14440 • Madison WI 53708
608-256-3227 • 888-378-7395 (toll-free) • 608-256-3370 (fax)
info@wifamilycouncil.org • www.wifamilycouncil.org

WISCONSIN'S "TUITION EXPENSES" TAX DEDUCTION

In the 2014-2015 Wisconsin State Budget, the governor and the state legislature approved a "tuition expenses" tax deduction for parents who send their children to private schools in Wisconsin. (Wis. Stat. § 71.05 (b) 49 a-k)

The basics about the deduction

- Parents may deduct a **maximum** of **\$4,000** for "tuition expenses" for each of their children that are enrolled and for whom they have paid tuition as an **elementary student** in a private school in Wisconsin. **Elementary** is defined as a student in grades Kindergarten through Grade 8.
- Parents may deduct a **maximum** of **\$10,000** for "tuition expenses" for each of their children that are enrolled and for whom they have paid tuition as a **secondary student** in a private school in Wisconsin. **Secondary** is defined as a student in grades 9-12.
- If an elementary student in 8th grade "graduates" to secondary student status at the conclusion of the 2017-2014 school year and then in the fall enters 9th grade, **parents may deduct the tuition paid (up to \$4,000) for the elementary and the secondary tuition paid (not to exceed \$10,000). If the total of the two exceeds \$10,000, then only \$10,000 can be deducted.**
- Taxpayers taking the "Tuition Expense" deduction will need to fill out Schedule PS and submit that with their tax forms. All of Wisconsin's tax forms are online here:
<https://www.revenue.wi.gov/Pages/Form/2023Individual.aspx>.
 - Schedule PS can be found here: <https://www.revenue.wi.gov/TaxForms2023/2023-SchedulePSf.pdf>. Instructions for completing Schedule PS are also included on this page.

Some details

- Parents must be able to show the State of WI "tuition expenses" receipts as proof of their having actually paid those expenses in the event they are audited.
- Parents whose children are attending using a state "voucher" are **not** eligible for this deduction.
- Tuition includes the amount paid to attend the school and any mandatory book fees paid to the school. *(See Schedule PS for what fees are **not** included as tuition for purposes of this tax deduction.)*

Recommendations and reminders

- Parents should **request and keep receipts for tuition and book fees paid to the school.**
- Parents **may only deduct the actual "tuition expenses"** they paid, up to the \$4,000 and \$10,000 thresholds. If those actual expenses for an elementary student were \$3,000, then that is the amount the parents can deduct on their income taxes. If the actual expenses for a secondary student were \$5,000, then that is the amount the parents can deduct.
- Parents who use a tax service to do their taxes should be sure their preparer knows about this deduction.
- This is **not** a tax credit. Parents will **not** receive a check from the state of Wisconsin. This is a tax **deduction**, which means it reduces a family's taxable income and likely increases any refund the taxpayer would receive or reduces the amount of money the taxpayer owes the State of Wisconsin.
- This information is intended to be helpful and informative; it is not prepared by legal or tax experts. If parents have any questions as they are preparing their taxes, they should consult a tax specialist.
Wisconsin Family Council and/or Wisconsin Association of Christian Schools assume absolutely no legal liability or responsibility in any form for any taxes filed or anything related to any person's or any organization's taxes or tax filings.

Examples of how the “tuition expenses” tax deduction can impact taxes

Assumptions/definitions:

- Parents are filing “Married, filing jointly”
- Rates used are from [2023 Wisconsin tax tables](#).
- AGI = Adjusted Gross Income (One’s income after deductions; that is, one’s taxable income)

\$30,000 AGI <i>before</i> applying tuition deduction	State tax would be \$1,156 (2023 rates)
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\$30,000

- \$4,000 (tuition expenses for 1 elementary student – assuming eligible for maximum)

\$26,000 AGI after tuition deduction	State tax would be \$980 (2023 rates)
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Net tax savings: \$176

\$50,000 AGI <i>before</i> applying tuition deduction	State tax would be \$2,155 (2023 rates)
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\$50,000

- \$10,000 (tuition expenses for 1 secondary student – assuming eligible for maximum)

\$40,000 AGI after tuition deduction	State tax would be \$1,625 (2023 rates)
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Net tax savings: \$530

\$40,000 AGI <i>before</i> applying tuition deduction	State tax would be \$1,625 (2023 rates)
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\$40,000

- \$3,000 (actual tuition expenses for 1 elementary student; assuming max eligibility)

- \$8,000 (actual tuition expenses for 1 secondary student; assuming max eligibility)

\$29,000 AGI after tuition deductions	State tax would be \$1,112 (2023 rates)
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Net tax savings: \$513

\$80,000 AGI <i>before</i> applying tuition deduction	State tax would be \$3,745 (2023 rates)
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\$80,000

- \$7,500 (actual tuition expenses for 3 elementary students, figured at per-student average of \$2,500)

\$72,500 AGI after tuition deductions	State tax would be \$3,348 (2023 rates)
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Net tax savings: \$397