

July 1, 2013



Wisconsin Health & Educational Facilities Authority

WHEFA Announcement

Governor Scott Walker's 2013-2015 State Budget 1) has permanently expanded WHEFA's charter to permit all Wisconsin 501(c)(3) nonprofit organizations access to WHEFA's low-cost capital financing and 2) will allow the interest income earned on certain bonds issued by WHEFA to be exempt from the payment of State income tax.

WHEFA can now issue bonds on behalf of all 501(c)(3) nonprofit organizations:

Since WHEFA's creation in 1973, the Wisconsin legislature has expanded the types of nonprofit entities eligible for WHEFA financing assistance from just hospitals and other health care entities to also include independent colleges and universities, certain continuing care facilities, private elementary and secondary schools, research facilities and community rehabilitation providers. In today's economic environment, it is important to permit all Wisconsin 501(c)(3) nonprofit organizations access to WHEFA's low-cost capital financing option.

Interest income on bonds issued by WHEFA can be exempt from State income tax if such an exemption is already available on bonds eligible to be issued for the same purpose through another Wisconsin conduit issuer:

Under previous law, the interest income earned by Wisconsin taxpayers who own bonds issued by WHEFA was exempt from Wisconsin income taxation only if the proceeds of such bonds were used by a health facility to acquire information technology hardware/software. The interest income on all other bonds issued by WHEFA was subject to the payment of Wisconsin income tax. This change now gives the same exemption from State tax to bonds issued by WHEFA as is presently available to other Wisconsin issuers so long as such an issuer could issue the bonds for the same purposes as WHEFA.

In Summary:

These expansions to WHEFA's charter will promote economic development and job creation in Wisconsin by ensuring competitive access to low-cost capital for all Wisconsin nonprofit institutions seeking to expand and create jobs. We look forward to the opportunity to work with all Wisconsin nonprofits and utilizing these statutory improvements where appropriate for their circumstances.

Dennis Reilly | Executive Director

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