New Year Brings New Tuition Tax Deduction

The state budget bill created a new state income tax deduction for elementary and secondary school tuition expenses paid on or after January 1, 2014. When filing in 2015, taxpayers may claim their paid private and religious school tuition expenses of 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 Wisconsin Catholic Conference supported the tax deduction, recognizing it as one of the many ways the state can affirm the vital role parents play in shepherding their children’s education.

Any person who pays tuition expenses at a private school and taxes in Wisconsin is eligible. However, the deduction is not a tax credit. The amount that any one family or individual will save is dependent upon income, filing status, and most importantly, the resulting tax liability.

The average eligible family will see a tax cut of around $240 per primary school child and around $600 per high school student. Those with multiple students attending high school could see the biggest savings. For example, a family with a household income of $90,000 that spends $7,500 per child for their two high school students in 2014 will see their taxes reduced from $5,643 to $4,703, for a savings of $940.

A mother who makes $46,000 and sends her two children to a Catholic elementary school with tuition of $2,000 per student will also save. Her taxes before the deduction are $2,884. After the $4,000 deduction, her taxes fall to $2,633, saving her $251.

To claim the deduction, families should make certain that their child’s school meets the basic definition of a private school. Taxpayers can only claim the expenses they have paid; the deduction cannot be used for scholarships or financial aid. Also, families should save payment records (receipts, etc.) as supporting documentation for their tax records.

The Wisconsin Department of Revenue (DOR) will provide further information on how to claim the deduction in their 2014 publications.
One of the most appealing aspects of serving on the staff of a state Catholic conference is the diversity of people and the breadth of issues one has the opportunity to engage on a regular basis.

This occurred to me the other day as I reflected on some of the different issues and activities on which I am spending my time recently. They include:

- working with the leaders of the Wisconsin Jewish Conference and the Wisconsin Council of Churches to advocate for including childless adults in a health care package adopted by the Legislature;
- a conference call with the diocesan finance officers followed by a conference call with the directors of the Church Unemployment Pay program;
- a quick trip into Milwaukee to attend a retirement celebration for Sue Armacost, who has so ably represented Wisconsin Right to Life in lobbying the Legislature for the past 26 years;
- preparing for a report I will present to the Board of the Superior Catholic Charities Bureau;
- consulting with diocesan attorneys and others over the implications of a recent federal court ruling on the tax treatment of housing for clergy (this ruling won’t take effect until all the appeals are decided, and then only if the ruling is not overturned);
- another conference call with other state Catholic conference directors and the staff of the U.S. Conference of Catholic Bishops on pending federal issues around health care and immigration;
- monitoring the introduction of new bills and amendments to bills already introduced, events that occur on an almost daily basis;
- meetings with our Associate Directors over legislative proposals related to mental health services, ownership of cemeteries and funeral homes, and pro-life issues.

Most of this activity takes place “below the radar.” Occasionally they warrant mention in the media. But each in its own way is rewarding.

Pro-Life Bills Stalled

Two bills, which passed in the Assembly, recently passed out of committee in the Senate, but have not been brought to the Senate floor for a vote.


Assembly Bill 216, “The Health Care Conscience Act” (Rep. Andre Jacque, R-DePere), would provide religious entities that have objections to purchasing contraceptive coverage the same protection under Wisconsin law as provided for under the federal Patient Protection and Affordable Care Act (ACA).

AB 216 would reverse a 2009 state budget act which requires all health insurance policies sold in Wisconsin to provide coverage for prescribed contraceptive and related services (Wis. Stat. s. 632.895(17)). Unlike most states with similar requirements, Wisconsin failed to provide any recognition of religious liberty and conscience. As a result, Catholic agencies in the state that cannot self-insure are forced to purchase morally objectionable coverage.

Critics of AB 216 claim it is part of a “war on women.” Supporters of the bill argue that it merely reflects federal law. “All AB 216 does is give religious employers the same consideration that the Obama Administration provides under federal ACA regulations,” explained WCC Associate Director Kim Wadas. “The bill gives religious employers in Wisconsin the same protection that exists in nearly every other state.”

Much like the Federal Employee Health Benefits Program, AB 216 also prohibits state employ health insurance from covering abortion services. Neither measure in AB 216 should be controversial and both simply align Wisconsin law with federal law.

Readers are urged to go to the WCC website, www.wisconsincatholic.org, to learn how to send a message to Senators, urging them to pass these bills and send them to the Governor for his signature.
Assembly Passes Major Mental Health Package

This past November, Assembly Republicans and Democrats unanimously passed an important series of bills, with nearly $4 million in funding, to improve services and reduce stigma for those suffering from mental health issues. Most of the 13 bills came out of Speaker Robin Vos’s (R-Burlington) Task Force on Mental Health, chaired by Representative Erik Severson (R-Star Prairie), an emergency room physician, and Representative Sandy Pasch (D-Shorewood), a psychiatric care nurse. The Senate is expected to pass the bills when it reconvenes in January.

Among other things, the bills make it easier to obtain mental health treatment by revising current laws pertaining to emergency detention, involuntary commitment, and the disclosure of protected health information. A Joint Legislative Council Special Committee, looking into the plight of minors with mental health problems, found that some minors were unable to obtain treatment in a timely manner. The legislation approved by the Assembly would therefore permit parents to consent to inpatient admission for any child under 14, without the time-consuming process of filing a petition or taking part in a hearing. A petition would still have to be filed if a minor between the ages of 14 and 17 refused to consent to treatment.

The state would also allow a severely emotionally disturbed child to receive in-home therapy without having to show a failure to succeed in outpatient therapy; and would allow qualifying families to participate in in-home therapy, even if a child in that family is enrolled in a day treatment program.

Another bill would create and administer a state-wide child psychiatry consultation program so that doctors, particularly those in remote areas, could provide better care to children with mental health needs.

Wisconsin would also create a $1,500,000 grant program to encourage primary care physicians and psychiatrists to practice in underserved areas around the state. An additional $250,000 would fund mental health mobile crisis teams in rural areas.

To help people who have serious mental illness recover, the Assembly provided $970,000 to find them employment. Another $250,000 would go to peer-run respite centers for individuals experiencing mental health conditions or substance abuse.

Grants totaling $250,000 would provide law enforcement agencies and correctional officers with mental health crisis intervention team training. A further $750,000 would go to treatment and diversion (TAD) grants designed for individuals who have a diagnosed mental illness and who have committed offenses related to their mental illness.

Finally, to ensure compliance and effectiveness, the Department of Human Services (DHS) would be required to provide a report to the Legislature every two years, describing the mental health services and programs provided by every county in Wisconsin.
WCC, Other Faith Groups Urge Health Care Access for Childless Adults

In a December 2 memo to the Joint Committee on Finance, the directors of the Wisconsin Catholic Conference, the Wisconsin Jewish Conference, and the Wisconsin Council of Churches urged Committee members to continue with their original plan to provide 83,000 childless adults living below poverty level with access to health coverage. Under the state budget, these individuals were to gain access to Medicaid coverage starting January 1, 2014.

At the same time, certain parents and caretakers were to transition from Wisconsin’s BadgerCare program (also a Medicaid program) into health care exchange plans offered under the Affordable Care Act (ACA). However, due to problems with ACA implementation and startup, Governor Walker asked the Legislature to delay these changes until March 31. As a result, while some low-income people will remain on BadgerCare for three more months, impoverished childless adults must wait until April 1, 2014, to become eligible for Medicaid coverage.

John Huebscher of the Catholic Conference, Michael Blumenfeld of the Jewish Conference, and Rev. Scott Anderson of the Council of Churches were generally supportive of the Governor’s proposal, but asked that childless adults be eligible for coverage on January 1 as originally planned.

“Eighty-three thousand of our most vulnerable neighbors, childless adults, will remain unable to enroll in Medicaid for three months. We cannot leave them outside our circle of concern,” they wrote.

They explained, “The moral claim of these 83,000 to the good of health care coverage is no less than that of the rest of us. Their innate dignity as human beings is not diminished by their poverty. Their character is not measured by their economic worth.”

The Assembly passed its version of the bill on December 4. The Senate will consider the proposal on December 19. The memo to the Committee may be found at www.wisconsincatholic.org.