

HB 1785 -- Income Tax: Section 529 Savings Program

Sponsor or Co-Sponsors: Liese, Hanaway

Same as or similar to: Year:

Emergency Clause: or Effective Date of:

Use Summary For: Version:, Year:,

Verbatim:

Modify above as follows:

New summary as follows: This bill creates a qualified state tuition program, also known as a Section 529 Savings Program, for purposes of tax deferral and exemption of earnings on contributions to the program. Distributions from the program must be used for certain higher education expenses.

Earnings from the program will be deferred for federal income tax purposes and contributions and earnings are exempt from state income tax. The maximum contribution under the plan cannot exceed \$8,000 per year.

The program will become effective January 1, 2002.