

1 **H. B. 2106**

2
3 (By Delegates Walters and Azinger)

4 [Introduced January 12, 2011; referred to the
5 Committee on Education then Finance.]

6 **FISCAL**
7 **NOTE**

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9
10 A BILL to amend and reenact §18-30-2 and §18-30-9 of the Code of
11 West Virginia, 1931, as amended, all relating to the West
12 Virginia College Prepaid Tuition and Savings Program Act; and
13 allowing a tax deduction for all prepaid tuition contracts or
14 college savings plans regardless of whether they are
15 administered by the board of the college prepaid tuition and
16 savings program.

17 *Be it enacted by the Legislature of West Virginia:*

18 That §18-30-2 and §18-30-9 of the Code of West Virginia, 1931,
19 as amended, be amended and reenacted, all to read as follows:

20 **ARTICLE 30. WEST VIRGINIA COLLEGE PREPAID TUITION AND SAVINGS**
21 **PROGRAM ACT.**

22 **§18-30-2. Legislative findings and purpose.**

23 The Legislature hereby finds and determines that enhancing the

1 accessibility and affordability of higher education for all
2 citizens of West Virginia will promote a well-educated and
3 financially secure population to the ultimate benefit of all
4 citizens of West Virginia, and that assisting individuals and
5 families in planning for future educational expenses by making the
6 tax incentives in 26 U.S.C. §529 available to West Virginians are
7 proper governmental functions and purposes of the state.

8 The Legislature also finds that continuation of the prepaid
9 tuition plan and creation of a savings plan will further those
10 governmental functions and purposes. It is, therefore, the
11 legislative intent of this article to continue the prepaid tuition
12 plan and to enhance the plan by authorizing the creation of a
13 savings plan so that more students may attend eligible higher
14 education institutions.

15 The Legislature further finds that all states have authorized
16 college savings plans with tax incentives authorized by 26 U.S.C.
17 §529 and that there are a broad selection of investment options
18 available among the various plans. It is therefore the legislative
19 intent to continue to encourage and enhance the accessibility and
20 affordability of higher education for all citizens of West
21 Virginia.

22 **§18-30-9. Income tax deduction for purchasers.**

23 As provided in §11-21-12a, any payment made under a prepaid
24 tuition contract or other college savings plan ~~administered by the~~

1 ~~board,~~ authorized by 29 U.S.C. §529, whether or not such plan is
2 administered by the board, pursuant to the provisions of this
3 article, is eligible for a tax deduction.

NOTE: The purpose of this bill is to allow a tax deduction for all prepaid tuition contracts or college savings plans regardless of whether they are administered by the board of the college prepaid tuition and savings program.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.