

H. B. 2579

(By Delegate Walters)

[Introduced February 3, 2015; referred to the
Committee on Education then Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §18-30-2 and §18-30-9 of the Code of West Virginia, 1931, as amended, all relating to the West Virginia College Prepaid Tuition and Savings Program Act; and allowing 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.

Be it enacted by the Legislature of West Virginia:

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

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

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

The Legislature hereby finds and determines that enhancing the accessibility and affordability of higher education for all citizens of West Virginia will promote a well-educated and financially

1 secure population to the ultimate benefit of all citizens of West Virginia, and that assisting
2 individuals and families in planning for future educational expenses by making the tax incentives
3 in 26 U.S.C. §529 available to West Virginians are proper governmental functions and purposes of
4 the state.

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

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

13 **§18-30-9. Income tax deduction for purchasers.**

14 As provided in section twelve-a, article twenty-one, chapter eleven of this code, any payment
15 made under a prepaid tuition contract or other college savings plan ~~administered by the board,~~
16 authorized by 29 U.S.C. §529, whether or not such plan is administered by the board, pursuant to
17 the provisions of this 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.