

2003 SENATE BILL 346

December 10, 2003 – Introduced by Senators KEDZIE, REYNOLDS, A. LASEE, ROESSLER, LAZICH, KANAVAS, SCHULTZ, STEPP and COGGS, cosponsored by Representatives NASS, GUNDERSON, ZIEGELBAUER, SUDER, TOWNS, LADWIG, TAYLOR, KRAWCZYK, BIES, F. LASEE, POPE-ROBERTS, VRAKAS, JESKEWITZ, GRONEMUS, PETTIS, KREIBICH, TOWNSEND, PETROWSKI, WEBER, LOTHIAN, JOHNSRUD, MUSSER, NISCHKE, SCHOOFF, GOTTLIEB, GROTHMAN, HUNDERTMARK, STONE, GUNDRUM, HINES, RHOADES, M. LEHMAN, FREESE, COLON, J. WOOD, LOEFFELHOLZ and ALBERS. Referred to Joint Survey Committee on Tax Exemptions.

1 **AN ACT to amend** 71.05 (6) (b) 31. and 71.05 (6) (b) 32. (intro.) of the statutes;
 2 **relating to:** allowing an individual income tax deduction for certain amounts
 3 contributed to any section 529 college tuition program.

Analysis by the Legislative Reference Bureau

Under current law, there exists a college savings program, commonly referred to as “EdVest II,” under which anyone may open an account for a prospective student, regardless of the contributor’s relationship to the beneficiary. Individuals may open accounts for themselves, and a prospective student may be the beneficiary of more than one college savings account. Contributions made to an account set up under the program, up to a limit of \$3,000 each year for each beneficiary, may be deducted from a contributor’s income in the calculation of his or her income taxes if the beneficiary of the account is one of the following: the claimant; the claimant’s child and the claimant’s dependent under the Internal Revenue Code; or the claimant’s grandchild. EdVest II is Wisconsin’s version of a qualified tuition program that is authorized under federal law and is commonly referred to as a “section 529 plan.”

Under this bill, the current law income tax deduction for contributions to Wisconsin’s section 529 plan is expanded to apply to contributions to the section 529 plan of any state.

Also under current law, there exists another program, the college tuition and expenses program, commonly referred to as “EdVest I,” under which a contributor may purchase “tuition units” that can be used to pay qualified educational costs on behalf of a beneficiary.

