

**Subject** 529 subtraction repealed; state grant funding increased

**Authors** Gomez

**Analyst** Sean Williams

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## Overview

H.F. 2642 repeals the individual income tax subtraction for contributions to section 529 college savings plans—the bill retains the tax credit for such contributions.

The bill additionally requires the Department of Revenue to estimate the amount of revenue saved due to the repeal of the subtraction, and appropriates that amount to the Office of Higher Education (OHE). OHE is required to use the amount appropriated to increase awards through the state grant program.