2021~~0~~ SURVEY 5

STATE TAXATION OF QUALIFIED TUITION PROGRAMS (SECTION 529 PLANS)

QUESTION 1 DOES STATE PROVIDE A DEDUCTION FOR CONTRIBUTIONS TO 529 PLANS?			
State	**Contributions to In-State Plan**	**Contributions to Out-of-State Plan**	**Explanation or Special Rules**
Alabama	Yes	No	Effective for tax years beginning after December 31, 2007, Alabama provides a deduction of up to $5,000 per taxpayer for contributions to the Alabama Prepaid Affordable College Tuition Program or to the Alabama College Education Savings Program. See 40-18-15(a)(28). Effective for tax years beginning after December 31, 2020, Alabama provides a deduction of up to $5,000 per taxpayer for contributions to an Alabama Achieving a Better Life Experience (ABLE) savings account. See 40-18-15.8.
Alaska	No	No	No state income tax.
Arizona	Yes	Yes	ARS § 43-1022(21) provides a subtraction from Arizona gross income equal to the amount contributed during the taxable year to college savings plans established pursuant to section 529 of the Internal Revenue Code to the extent that the contributions were not deducted in computing federal AGI. The amount subtracted shall not exceed: (a) $2,000 for a single individual or head of household, or (b) $4,000 for married couples filing a joint return. In the case of a husband and wife who file separate returns, the subtraction may be taken by either taxpayer or may be divided between them, but the total subtraction allowed both husband and wife shall not exceed $4,000. The deduction applies to both in-state and out-of-state plans. Starting in the 2021 tax year the maximum subtraction allowed for a contribution to a 529 college savings plan has been increased to $2,000 per beneficiary for a single or head of household filer and $4,000 per beneficiary for a married couple filing a joint return. In addition to

			contributions to a standard 529 college savings plan taxpayers may also subtract up to $2,000 per beneficiary or $4,000 per beneficiary (depending on filing status) for contributions made to 529A (ABLE) plans.
Arkansas	Yes	Yes	~~Act 883 of 2017: Starting with tax year 2017,~~ Arkansas allows a deduction for contributions made to an Arkansas 529 plan or a 529 plan established in another state. The taxpayer may not deduct the 529 plan contribution to the other state program if the amount was deducted in another state or on the other state's income taxes. The total deduction allowed for a 529 plan is limited to $5,000 per taxpayer and if the 529 plan is established in another state the deduction is limited to $3,000. The deductible contributions for a 529 plan established in another state that is rolled over to an Arkansas 529 plan is limited to $7,500 per taxpayer in the tax year in which it is rolled over (Ark. Code Ann. 6-84-111). ~~Arkansas conforms to the changes made under the Federal Tax Cuts and Jobs Act concerning the 529 Plan as in effect January 1, 2018.~~
California	No	No	
Colorado	Yes	No	Colorado provides an unlimited state deduction for contributions to a Colorado 529 Plan.
Connecticut	Yes	No	Effective for taxable years beginning on or after January 1, 2006, Connecticut permits a deduction of up to $5,000 (if filing status is single, head of household, married filing separately) or $10,000 (if filing status is married filing jointly, or qualifying widow(er) with dependent child) for contributions to the Connecticut 529 plan. Conn. Gen. Stat. §§ 12-701(a)(20) and 12-701a.
Delaware	No	No	
District of Columbia	Yes	No	The District of Columbia provides an annual deduction of $4,000 per tax return for individual filers and $8,000 per tax return for joint filers. For joint filers, each spouse must establish a separate account in order to take the maximum deduction.

			DC automatically conforms with federal income tax laws, by defining the term "Internal Revenue Code of 1986" as meaning the Internal Revenue Code of 1986, as amended from time to time. The provisions of the Internal Revenue Code of 1986 are effective on the same dates that they are effective for federal tax purposes. D.C. Code § 47-1801.04(28). This means the District automatically conforms to the federal changes to the 529 program.
Florida	No	No	No state individual income tax.
Georgia	Yes	No	For taxable years beginning on or after January 1, 2020, Georgia provides an annual deduction of up to $4,000 per beneficiary for individual filers and up to $8,000 per beneficiary for joint filers for contributions to Georgia 529 plans. Contributions made after 12/31 of the current year but before the deadline for making contributions to an individual retirement account under federal law for such taxable year may be deducted in the current year.
Hawaii	No	No	
Idaho	Yes	No	Idaho provides an annual deduction of up to $6,000 per tax return for individual filers and $12,000 per tax return for joint filers per 2017 HB185.
Illinois	Yes	No	Illinois provides a maximum $10,000 annual deduction for individual filers or $20,000 for joint filers. 35 ILCS 5/203(a)(2)(Y). Effective for tax years beginning on or after January 1, 2018, Illinois adopted an ABLE account program and provides a maximum $10,000 annual deduction for individual filers of $20,000 for joint filers. 35 ILCS 5/203(a)(2)(HH).
Indiana	No	No	No deduction is permitted. However, IC 6-3-3-12 permits a credit for certain 529 contributions.
Iowa	Yes	No	Iowa Code § 422.7(32) permits a deduction for contributions to the Iowa educational savings plan trust up to the maximum annual amount. Iowa Code § 12D.3(1) provides for the maximum annual contribution amount that may be deducted. The maximum annual

			deduction for 2021~~0~~ is $3,474~~39~~ per participant per beneficiary. This amount is indexed annually for inflation.
Kansas	Yes	Yes	Kansas provides an annual deduction of up to $3,000 for individual filers or $6,000 for a married couple filing a joint return.
Kentucky	No	No	
Louisiana	Yes	No	Per La. R.S. 47:293(9)(a)(vi), Louisiana provides an annual deduction of up to $2,400 per account for account owners filing a single return and up to a maximum of $4,800 per beneficiary per taxable year for account owners filing joint returns. Per La. R.S. 47:293(9)(xx), for contributions to a S.T.A.R.T. K12 (Student Tuition Assistance & Revenue Trust Program) account for taxable years on or after 01/01/2022, Louisiana provides an annual deduction of up to $1,200 for account owners filing a single return and up to a maximum of $2,400 per beneficiary per taxable year for account owners filing joint returns.
Maine	No	No	For tax years beginning on or after January 1, 2007 but before January 1, 2016, taxpayers were allowed to deduct up to $250, per beneficiary, of contributions made to a Maine or non-Maine qualified tuition program. Taxpayers filing single or married separate returns with federal adjusted gross income of more than $100,000, and taxpayers filing married joint or head of household returns with federal adjusted gross income of more than $200,000 did not qualify for the deduction. *See* ~~Maine~~ 36 M.R.S. § 5122(2)(Y) – REPEALED.

Maryland	Yes	No	Maryland Prepaid College Trust – Maryland provides a maximum annual deduction of $2,500 per prepaid contract for individual filers. If each spouse on a joint return has made a contribution, each spouse can take the deduction up to the annual limit per prepaid contract. Maryland College Investment Plan – Maryland provides a maximum annual deduction of $2,500 per account holder or contributor per beneficiary for individual filers. If each spouse on a joint return has made a contribution for a beneficiary, each spouse can take a deduction up to the annual limit per beneficiary according to their respective contributions. In this case, the maximum annual deduction would be $5,000 per beneficiary.
Massachusetts	Yes	No	Massachusetts provides an annual deduction in an amount equal to 1) purchases of or 2) contributions made in a taxable year to an account in a pre-paid tuition program or a college savings program established by the Commonwealth or an instrumentality or authority of the Commonwealth. The deduction applies to tax years beginning on or after January 1, 2017. ~~through the tax year beginning on January 1, 2021.~~ *See* G.L. c. 62, § 3.B(a)(19); TIR 16-15; St. 2021, c. 24, §70.
Michigan	Yes	No	Michigan maintains two separate 529 plans – The Michigan Education Savings Program (MESP) and the Michigan Education Trust (MET). Michigan provides an annual deduction up to a limit of $5,000 for a single filer and $10,000 for a joint filer for contributions to the MESP less qualified withdrawals made in the tax year. Deductions for annual contributions to the MET are not limited.
Minnesota	Yes	Yes	During the 2017 legislative session, M.S. 290.0684 was enacted that provides a nonrefundable credit for net contributions to a qualifying 529 plan. M.S. 290.0132 Subd. 23 was also enacted to provide a Minnesota deduction (subtraction) for net contributions to a qualifying 529 plan. Both benefits are effective for tax year 2017 and

			allow net contributions to in-state, and out-of-state plans. There does not need to be any specific relationship between the contributing taxpayer and the account beneficiary. Both benefits will calculated on Schedule M1529, *Education Savings Account Contribution Credit or Subtraction*. Taxpayers are limited to claiming one of the benefits, but not both. Eligibility for the subtraction does not depend on residency or income. Claiming the subtraction disqualifies a taxpayer from claiming the credit. The subtraction is equal to net contributions up to $3,000 for married taxpayers filing a joint return and $1,500 for all others.
Mississippi	Yes	No	Mississippi provides an annual deduction of $10,000 per tax return for individual filers and $20,000 per tax return for joint filers. Contributions made after 12/31 of the current year but before 5/17 ~~7/15~~ of the following year may be deducted in the current year. For joint filers, married couples need only establish one account in order to take the maximum deduction.
Missouri	Yes	Yes	Missouri provides an annual deduction of up to $16,000 for married combined filers and an annual deduction of $8,000 for single filers.
Montana	Yes	Yes	An individual who contributes to one or more accounts established under the Montana family education savings program or another state's 529 plan may reduce adjusted gross income by the amount of the contribution up to $3,000. In the case of married taxpayers, each spouse is entitled to a reduction not in excess of $3,000 for the spouses' contributions to the accounts. Because Montana allows two-earner married couples to file separate income tax returns, spouses may jointly elect to treat half of the total contributions made by the spouses as being made by each spouse. The deduction applies only to contributions where the taxpayer is the designated beneficiary of the account, or a spouse, parent, grandparent, sibling or child of the designated beneficiary, related by blood, marriage, or legal adoption.

Nebraska	Yes	No	Nebraska provides an annual deduction of, beginning January 1, 2014, up to $10,000 per tax return for both individual and joint filers (up to $5,000 each for married filing separate). Nebraska has a § 529A ABLE Act program entitled the "Enable Savings Plan." In addition, beginning January 1, 2021, Nebraska provides a deduction for contributions made by an employer into a Nebraska educational savings plan trust account owned by an employee. See Neb. Rev. Stat. § 77-2716(8)(c).
Nevada	No	No	
New Hampshire	No	No	No state income tax.
New Jersey	No	No	
New Mexico	Yes	No	New Mexico provides a deduction for contributions to a New Mexico plan. The qualifying 529 plan must be approved by the New Mexico Education Trust Board.
New York	Yes	No	New York provides an annual deduction of up to $5,000 per tax return for individual filers and $10,000 per tax return for joint filers for contributions to a tuition savings account established under New York's 529 College Savings program. This deduction also reduces New York City taxable income for New York City residents. For joint filers, married couples need only establish one account in order to take the maximum deduction.
North Carolina	No	No	Effective for tax years beginning on or after January 1, 2014, North Carolina does not allow a deduction for amounts contributed to Section 529 plans.
North Dakota	Yes	No	For tax years beginning on or after January 1, 2007, an individual is allowed a deduction for making a contribution to College SAVE, the 529 savings plan administered by the Bank of North Dakota. The maximum deduction allowed in a tax year is $5,000 ($10,000 if married filing jointly). A rollover of funds from another 529 plan into College SAVE is not eligible for the deduction.

Ohio	Yes	No	Ohio permits the deduction of contributions made to the Ohio Tuition Trust Authority's College Advantage 529 Savings Plan. Ohio provides an annual deduction of $4,000 per beneficiary for both individual and joint filers. Married taxpayers may deduct up to a maximum of $4,000 per beneficiary whether their filing status is married filing joint or married filing separate. This deduction does not apply to IRC Section 529 plans offered by other states.
Oklahoma	Yes	No	For tax years beginning after December 31, 2004, Oklahoma provides an annual deduction of up to $10,000 per beneficiary for individual filers and $20,000 per beneficiary for joint filers. For joint filers, each spouse must establish a separate account in order to take the maximum deduction.
Oregon	Yes	No	For tax year 2019, Oregon provides an annual inflation-indexed subtraction of up to $2,435 per tax return for individuals and $4,865 per return for joint filers for contributions made to an Oregon 529 College Savings Network account or an Achieving a Better Life Experience (ABLE) account. The last date for contributions to qualify for the subtraction is December 31, 2019 (or the last day of the taxpayer's 2019 fiscal year), but excess contributions in a given year may still be carried forward for four succeeding tax years, subject to the limitation in the carry forward year(s). For contributions made after the end of the 2019 tax year, a refundable credit will be available instead of a subtraction. The combined subtraction for Oregon 529 plan and ABLE account contributions cannot exceed the annual limitations shown above. ORS 316.699.
Pennsylvania	Yes	Yes	Effective for tax years beginning on or after January 1, 2006, Pennsylvania provides an annual deduction from taxable income for the amount paid as a contribution into any qualified tuition program. The deduction cannot exceed the "annual exclusion" from Federal gift tax for each designated beneficiary, and, for all designated beneficiaries, cannot exceed the donor's taxable personal income for the taxable year of the contribution(s).

Rhode Island	Yes	No	For contributions to Rhode Island §529 plans, Rhode Island provides an annual deduction of up to $500 per tax return for individual filers and $1,000 per tax return for joint filers.
South Carolina	Yes	No	South Carolina provides an annual deduction for contributions made to the SC College Investment Program ("FUTURE SCHOLAR") up to the limit of maximum contributions allowed under IRC Section 529. Contributions and rollovers made during the current tax year and up to 4/15 of the following tax year may be deducted in the current year.
South Dakota	No	No	No state income tax.
Tennessee	No	No	Tennessee has no general income tax. Certain dividend and interest income is taxable, but no deductions from such income are permitted.
Texas	No	No	No state individual income tax.
Utah	Yes	No	Utah provides an apportionable, nonrefundable 4.95~~5~~% individual income and fiduciary tax credit for qualified investment (contributions) in 529 plans administered by my529~~ (UESP)~~. The contribution must be made during the taxable year and not deducted on the federal return. The 2021~~19~~ credit is (1) 4.95% of the lesser of the contribution made during the tax year or $2,07~~4~~0 per beneficiary for individual filers (maximum credit = $102.47); or (2) 4.95% of the lesser of the contribution made during the tax year or $4,140~~080~~ per beneficiary for married filing joint filers (maximum credit = $204.93). These same limits apply to a Grantor Trust if it is a disregarded entity for federal income tax purposes. The credit may not be carried back or forward and is apportioned for nonresident and part-year residents. The credit may only be claimed by the my529 account owner. Utah also allows a corporation tax deduction for contributions to 529 plans administered by my529. The 2021~~19~~ corporation tax deduction is limited to the lesser of the investment made during the tax year or $2,07~~4~~0 per individual beneficiary.
Vermont	No	No	

Virginia	Yes	No	Virginia provides an annual deduction of up to $4,000 per account for individual taxpayers. Virginia provides an unlimited deduction for filers age 70 and older. Va. Code § 58.1-322.03(7).
Washington	No	No	No state income tax.
West Virginia	Yes	No	West Virginia provides an unlimited deduction for both individual and joint filers.
Wisconsin	Yes	No	Wisconsin provides an annual deduction of up to $3,380~~40~~, or $1,~~670~~ 690 if married filing separate or a divorced parent, (adjusted annually for inflation) per beneficiary for both individual and joint filers.
Wyoming	No	No	

QUESTION 2 DOES STATE CONTRIBUTION DEDUCTION LIMIT APPLY SEPARATELY TO EACH CONTRIBUTOR TO ACCOUNT?				
State	**In-State Plan**	**Out-of-State Plan**	**N/A State does not provide a deduction**	**Explanation or Special Rules**
Alabama	Yes			The limitation is $5,000 per taxpayer making the contribution to the Alabama Prepaid Affordable College Tuition Program or the Alabama College Education Savings Program as defined in Chapter 33C of Title 16. See 40-18-15(a)(28).
Alaska			X	
Arizona	Yes	Yes		
Arkansas	Yes	Yes		The limitation is $5,000 per taxpayer for in state plans. The out of state plan is allowed up to $3,000 per taxpayer. The overall limit combined amount cannot exceed $5,000 per taxpayer.
California			X	
Colorado	Yes	N/A		
Connecticut	Yes	N/A		Yearly limitation is $5,000 if filing status is single, head of household or married filing separately; $10,000 if filing status is married filing jointly or qualifying widow(er) with dependent child. Conn. Gen. Stat. § 12-701a.
Delaware			X	
District of Columbia	Yes	N/A		Maximum of $4,000 per person, $8,000 for joint filers if each is an account holder.
Florida			X	
Georgia	Yes	N/A		For taxable years beginning on or after January 1, 2020, the limitation is $4,000 per beneficiary for individual filers and $8,000 for joint filers.
Hawaii			X	
Idaho	Yes	N/A		
Illinois	See explanation	N/A		For taxable years beginning on or after January 1, 2005, individual taxpayers are allowed a maximum of $10,000 subtraction modification for moneys contributed to a College Savings Pool account under Section 16.5 of the State Treasurer Act or the Illinois Prepaid Tuition Trust Fund. See IITA § 203(a)(2)(Y). The subtraction modification is only allowed to a

				"participant" or "donor" for a College Savings Pool account and a "purchaser" for a prepaid tuition plan. For taxable years beginning on or after January 1, 2018, individual taxpayers are allowed a maximum of $10,000 subtraction modification for moneys contributed to an ABLE account under Section 16.6 of the State Treasurer Act or the Illinois Prepaid Tuition Trust Fund. See IITA § 203(a)(2)(HH).
Indiana	N/A	N/A		
Iowa	Yes	N/A		
Kansas	Yes	Yes		
Kentucky			X	
Louisiana	Yes	N/A		The limitation is $2,400 per beneficiary for an individual income tax return with filing status "single" and $4,800 per beneficiary for an individual income tax return with filing status "joint." For contributions to a S.T.A.R.T. K12 account, the limitation is $1,200 per beneficiary for an individual income tax return with filing status "single" and $2,400 per beneficiary for an individual income tax return with filing status "joint."
Maine	N/A	N/A		
Maryland	Yes	N/A		An account holder or a contributor may claim the deduction for contributions to the account.
Massachusetts	Yes	N/A		The deduction is capped at $1,000 for a single person or head of household and $2,000 for a married couple filing a joint return. If ownership of the tuition or college savings plan is transferred, any carryover or recapture limitations apply to the transferee. For purposes of the deduction, a purchaser or contributor is the person shown as such on the records of the tuition or college savings program as of December 31 of the taxable year.
Michigan	Yes	N/A		
Minnesota	Yes	Yes		Eligibility for the subtraction does not depend on residency or income. Claiming the subtraction disqualifies a taxpayer from claiming the credit. The subtraction is equal to net contributions up to $3,000 for married taxpayers filing a joint return and $1,500 for all others.
Mississippi	Yes	N/A		
Missouri	Yes	Yes		Married individuals filing combined returns are limited to a total subtraction/deduction of $16,000 per year for contributions to a qualified plan. For tax years beginning January 1, 2008, this amount can be applied to either spouse's income.

Montana	Yes	Yes		To qualify for the deduction, the contributor must be the designated beneficiary, or a spouse, parent, grandparent, sibling or child of the designated beneficiary, related by blood, marriage, or legal adoption.
Nebraska	Yes	N/A		Contributions by a custodian of a minor's custodial account, who is also a parent or guardian of the minor, are eligible for the contribution deduction. Nebr. Rev. Stat. § 77-2716(8) (a) (b). Contributions by an employer into an account owned by an individual employee are eligible for contribution deduction. Neb. Rev. Stat. § 77-2716(8)(c).
Nevada			X	
New Hampshire			X	
New Jersey			X	
New Mexico	No	N/A		Each contributor may claim a deduction for the amount of contributions deposited into the 529 Plan account. No limits apply other than the limit on maximum contributions for a beneficiary allowed under IRC section 529.
New York	No	N/A		Contributions must be made as the account owner to claim the deduction.
North Carolina	N/A	N/A		Effective for tax years beginning on or after January 1, 2014, North Carolina does not allow a deduction for amounts contributed to Section 529 plans.
North Dakota	Yes	N/A		
Ohio	No	N/A		This deduction is limited by beneficiary. The combined amount of contributions and purchases deducted in any taxable year by a taxpayer or the taxpayer's spouse, regardless of whether the taxpayer and the taxpayer's spouse file separate returns or a joint returns, is limited to four thousand dollars for each beneficiary for whom contributions or purchases are made. However, the excess contribution may be carried forward. See Ohio Revised Code section 5747.70.
Oklahoma	Yes	N/A		
Oregon	Yes	N/A		
Pennsylvania	Yes	Yes		Contributions by a husband and wife out of jointly held accounts shall be treated as made one-half by each spouse.
Rhode Island	No	N/A		
South Carolina	Yes	No		No limits apply other than the limit of maximum contributions allowed under IRC Section 529. Also, funds transferred to an investment trust account from another qualified plan are

				allowed a deduction to the extent that the transferred funds were not permitted a state income tax deduction previously under South Carolina law.
South Dakota			X	
Tennessee			X	
Texas			X	
Utah	No	N/A		Utah provides an apportionable, nonrefundable 4.95% individual income and fiduciary tax credit for qualified investment (contributions) in 529 plans administered by my529 (UESP). The contribution must be made during the taxable year and not deducted on the federal return. The ~~2019~~ 2021 credit is (1) 4.95% of the lesser of the contribution made during the tax year or $2,040 per beneficiary for individual filers (maximum credit = $102.47); or (2) 4.95% of the lesser of the contribution made during the tax year or $4,080 per beneficiary for married filing joint filers (maximum credit = $204.93). These same limits apply to a Grantor Trust if it is a disregarded entity for federal income tax purposes. The credit may not be carried back or forward and is apportioned for nonresident and part-year residents. The credit may only be claimed by the my529 account owner. Utah also allows a corporation tax deduction for contributions to 529 plans administered by my529. The 2019 corporation tax deduction is limited to the lesser of the investment made during the tax year or $2,07~~4~~0 per individual beneficiary.
Vermont			X	
Virginia	No	N/A		The $4,000 limitation applies to each prepaid tuition contract or savings trust account. Each contract or account can only have one contributor. Separate individuals are permitted to open accounts with the same beneficiary. Each account permits a $4,000 deduction, regardless of the designated beneficiary.
Washington			X	
West Virginia	Yes	N/A		
Wisconsin	Yes	N/A		The limitation applies separately to each contributor to an account.
Wyoming			X	

QUESTION 3 DOES STATE PERMIT STATE TAX DEDUCTION TO BE CARRIED FORWARD?				
State	**In-State Plan**	**Out-of-State Plan**	**N/A State does not provide a deduction**	**Explanation or Special Rules**
Alabama	No	N/A		No carry forwards for in state plan deductions. No deductions are allowed for out of state plan contributions, so carry forwards of any deduction would not apply.
Alaska			X	
Arizona	No	No		
Arkansas	Yes	No		~~Act 881 of 2017: Beginning on August 1, 2017,~~ An in-state plan is allowed a carryover of up to four (4) succeeding tax years. No carryover for out-of-state plans. (Ark. Code Ann 6-84-111).
California			X	
Colorado	No	N/A		
Connecticut	Yes	N/A		Unused portion of the deduction may be carried forward to the five succeeding taxable years. Conn. Gen. Stat. § 12-701a.
Delaware			X	
District of Columbia	Yes	N/A		The District of Columbia provides a five-year carryforward.
Florida			X	
Georgia	No	N/A		
Hawaii			X	
Idaho	No	N/A		
Illinois	No	N/A		
Indiana	N/A	N/A		
Iowa	No	N/A		
Kansas	No	No		

Kentucky			X	
Louisiana	Yes	N/A		Unused portions of the deduction contribution limit in any year may be carried forward to subsequent years.
Maine	N/A	N/A		
Maryland	Yes	N/A		Maryland Prepaid College Trust – Maryland permits a carryforward of unused deductions until the full amount has been claimed as a deduction, subject to the $2,500 annual limit per prepaid contract. Maryland College Investment Plan – Maryland permits a carryforward of up to ten years, subject to the $2,500 annual limit per account holder or contributor per beneficiary.
Massachusetts	Yes	N/A		
Michigan	No	N/A		
Minnesota	No	No		
Mississippi	No	N/A		
Missouri	No	No		
Montana	No	No		
Nebraska	No	N/A		
Nevada			X	
New Hampshire			X	
New Jersey			X	
New Mexico	No	N/A		
New York	No	N/A		
North Carolina	N/A	N/A		Effective for tax years beginning on or after January 1, 2014, North Carolina does not allow a deduction for amounts contributed to Section 529 plans.
North Dakota	No	N/A		
Ohio	Yes	N/A		Ohio provides an unlimited carryforward of the deduction.
Oklahoma	No	N/A		
Oregon	Yes	N/A		Oregon provides a carryforward of excess contributions for up to four years. For example, if a single taxpayer makes a $15,000 contribution in 2017, he or she can deduct $2,330

				in 2017; $2,375 in 2018; and the balance, up to each year's limit, in 2019, 2020, and 2021.
Pennsylvania	No	No		
Rhode Island	Yes	N/A		Rhode Island provides an unlimited carryforward of the deduction.
South Carolina	No	N/A		
South Dakota			X	
Tennessee			X	
Texas			X	
Utah	No	N/A		
Vermont			X	
Virginia	Yes	N/A		To the extent the purchase price or amount paid during the taxable year exceeds $4,000, the remainder may be carried forward and deducted in future taxable years, until the purchase price or amount paid has been fully deducted. Va. Code § 58.1-322.03(7)(a).
Washington			X	
West Virginia	Yes	N/A		West Virginia allows a carryforward of up to five years.
Wisconsin	Yes	N/A		For taxable years beginning after December 31, 2013, excess contributions over deduction may be carried forward.
Wyoming			X	

QUESTION 4

DOES STATE PROVIDE OTHER FAVORABLE BENEFITS (IN ADDITION TO STATE TAX DEDUCTION, IF ANY) FOR CONTRIBUTIONS TO 529 PLANS?

State	Yes	No	Explanation or Special Rules
Alabama	Yes		Alabama exempts from state income tax all benefits received from prepaid tuition contracts administered under Title 16, chapter 33C, Code of Alabama 1975. Additionally, Alabama exempts from taxation amounts received under section 529A from ABLE savings accounts administered under Title 16, Chapter 33C, Code of Alabama 1975 if used for qualifying distributions.
Alaska		X	
Arizona	Yes		A.R.S. § 43-1022(21) allows a subtraction from Arizona gross income for any amount of qualified education expenses distributed from a qualified state tuition program determined pursuant to section 529 of the Internal Revenue Code and that is included in income in computing federal adjusted gross income.
Arkansas	X		Arkansas exempts from state income tax interest, dividends and capital gains earned in a 529 account if used as a qualified distribution. ACA 6-84-111
California		X	
Colorado		X	
Connecticut	X		Effective July 1, 2014, any taxpayer filing a Conneticut income tax return may contribute any part of his or her overpayment to an existing CHET 529 college savings plan or to the CHET Baby Scholars Fund. The CHET Baby Scholars Fund will deposit $100 into a CHET account for children born or adopted on or after January 1, 2014. A second deposit of $150 will be made if family and friends contribute at least $150 to the child's enrolled CHET account within four years. The deadline to participate is 12 months after the child's birth or adoption. Conn. Gen. Stat. §§ 12-743and 3-22u.
Delaware		X	
District of Columbia	X		District of Columbia exempts from local income tax interest, dividends and capital gains earned in a 529 account if used as a qualified distribution. DC conforms to changes made to the 529 Plan under the Federal Tax Cut and Jobs Act.

Florida		X	
Georgia		X	
Hawaii		X	
Idaho	X	~~X~~	Effective January 1, 2021, there is a credit of 20% up to $500 for an employer that makes a contribution to an employee's 529 plan.
Illinois	X		IL provides employers with a tax credit in an amount equal to 25% of a matching employee contribution, not to exceed $500. 35 ILCS 5/218. For tax years beginning on or after January 1, 2018, contributions made by an employer to an ABLE account on behalf of an employee, or matching contributions made by an employee, shall be treated as made by the employee. 35 ILCS 5/203(a)(2)(HH).
Indiana	X		For 2018, a taxpayer may claim a credit equal to 10% of contributions intended for K-12 tuition, up to a maximum credit of $500, plus a credit up to 20% of contributions intended for higher education expenses. The aggregate cap for the 2018 tax credit is (1) the amount allowable under the preceding sentence, (2) $1,000, or (3) the taxpayer's tax liability reduced by any credits allowable under IC 6-3-1 through IC 6-3-7, whichever is least. For 2019 and later, a designation is required, but contributions for K-12 tuition are also allowable up to 20% of the contribution, and with the same overall limitation. For 2020 and later, the overall cap by married individuals filing separately is $500 as opposed to $1,000.
Iowa	X		Iowa Code § 422.7(33) allows Iowa taxpayers to exclude "income from interest and earnings received from the Iowa educational savings plan trust" when calculating Iowa net income. Additionally, to the extent that distributions from a 529 Plan are properly excluded from federal gross income, such distribution amounts would not generally be included in Iowa's net income calculation. See Iowa Code § 422.7(32)(c).
Kansas		X	
Kentucky		X	
Louisiana		X	
Maine		X	
Maryland		X	
Massachusetts		X	
Michigan		X	

Minnesota	X		A nonrefundable credit is available to full-year and part-year residents of Minnesota and is equal to 50% of the taxpayer's net contributions to a qualifying account up to $500. The $500 maximum phases out as adjusted gross income exceeds certain thresholds.
Mississippi		X	Mississippi exempts from state income tax all earnings within the 529 account and used as a qualified distribution.
Missouri		X	Missouri exempts from state income tax all earnings within the 529 account and used as a qualified distribution.
Montana		X	
Nebraska	X		See Neb. Rev. Stat. §77-2716(8)(a) for additional information.
Nevada		X	
New Hampshire		X	
New Jersey		X	
New Mexico		X	
New York		X	
North Carolina		X	
North Dakota		X	
Ohio		X	
Oklahoma		X	
Oregon	X		Oregon conforms to federal law and does not tax qualified withdrawals. In addition, taxpayers have until (i) the 15th day of the fourth month following the closing of the taxpayer's tax year, or (ii) the date they file their return, whichever is earlier, to make a contribution to their account for the previous tax year.
Pennsylvania		X	
Rhode Island		X	
South Carolina	X		Interest, dividends, gains, or income accruing on the payments are not included in South Carolina income of the account owner, contributor, or beneficiary if they remain in the fund or are withdrawn as a qualified withdrawal.
South Dakota		X	
Tennessee		X	The State periodically offers various incentives for contributions to the State's 529 Plan. For up to date information, please visit www.tnstars.com.
Texas		X	

Utah		X	
Vermont	X		Vermont provides a credit for contributions to the Vermont Higher Education Investment Plan. For tax years 2004-2006, the nonrefundable credit equals up to 5% of the first $2,000 contributed per beneficiary. A married couple could each give $2,000 per beneficiary. Beginning in 2007, the credit is increased to 10% of the first $2,500 contributed per beneficiary. *See* 32 VSA § 5825a.
Virginia		X	
Washington		X	
West Virginia		X	
Wisconsin	X		Wisconsin provides a credit for contributions an employer makes into an employee's college savings account. See article here for additional information on this credit.
Wyoming		X	

QUESTION 5 DOES STATE TAX ROLLOVERS (FROM ONE 529 PLAN TO ANOTHER) OF 529 PLAN CONTRIBUTIONS AND APPRECIATION?				
State	**Out-of-state plan to in-state plan**	**In-state plan to in-state plan**	**In-state plan to out-of-state plan**	**Explanation or Special Rules**
Alabama	No	No	Yes	
Alaska	No	No	No	
Arizona	No	No	No	
Arkansas	No	No	Yes	ACA 6-84-111
California	No	No	No	
Colorado	No	No	Yes	
Connecticut	No	No	No	
Delaware	No	No	No	
District of Columbia	No	No	No	
Florida	No	No	No	
Georgia	No	No	No	*See* §48-7-27(b)(10)(C) for recapture of certain deductions.
Hawaii	No	No	No	
Idaho	No	No	Yes	Rollovers from an in-state plan to an out-of-state plan are subject to Idaho income tax to the extent deductions were claimed in the year of transfer and the prior taxable year. 2007 House Bill 239, effective 7-1-2007; Idaho Code § 63-3022(p).
Illinois	No	No	No	
Indiana	No	No	No	Rollovers from an Indiana plan to an out-of-state plan can result in a recapture of previously claimed credits.

Iowa	No	No	Yes	Rollovers from an in-state plan to an out-of-state plan are subject to recapture to the extent deductions were claimed on previous returns. Iowa Admin Code 701—40.53
Kansas	No	No	No	
Kentucky	No	No	No	
Louisiana	No	No	No	S.T.A.R.T. K12 (Student Tuition Assistance & Revenue Trust Program) amounts which are unused may be rolled over to a S.T.A.R.T. plan intended for higher education expenses.
Maine	No	No	No	
Maryland	No	No	No	
Massachusetts	No	No	No	
Michigan	No	No	No	
Minnesota	No	No	No	
Mississippi	No	No	No	
Missouri	No	No	No	
Montana	No	No	No	Changes in designated beneficiaries and rollovers are not permitted if the changes or rollovers would violate the excess contributions and investment choice provision found in Montana statute. Rollovers from a Montana plan that are not permitted are treated as a nonqualified distribution and are subject to a 6.9% recapture tax to the extent the contributions were previously deducted from Montana adjusted gross income.
Nebraska	No	No	Yes	Previous deductions are recaptured. Neb. Rev. Stat. § 77-2716(8)(d)(i).
Nevada	No	No	No	
New Hampshire	No	No	No	
New Jersey	No	No	No	
New Mexico	No	No	Yes	New Mexico treats rollovers from a New Mexico plan to an out-of-state plan as taxable to the extent that

				contributions were initially deducted from New Mexico state income tax.
New York	No	No	Yes	A rollover from a New York plan to an out-of-state plan is treated as a nonqualified withdrawal and subject to recapture tax, except where the individual is neither a New York state resident nor a nonresident with New York source income.
North Carolina	No	No	No	
North Dakota	No	No	No	
Ohio	No	No	Maybe	A rollover from an Ohio plan to an out-of-state plan is treated as a nonqualified withdrawal and subject to a recapture add-back if the taxpayer has previously deducted the amount on their Ohio return. A rollover from an out-of-state plan to an Ohio plan is deductible in the same manner as any other contribution into an Ohio plan.
Oklahoma	No	No	No	
Oregon	No	No	No	Also, out-of-state plan to in-state plan rollovers would be considered new contributions and would be eligible for Oregon subtraction to regular limits.
Pennsylvania	No	No	No	Rollovers excludible from tax under IRC section 529€(3) are not subject to tax.
Rhode Island	No	No	Yes	
South Carolina	No	No	No	
South Dakota	No	No	No	
Tennessee	No	No	No	
Texas	No	No	No	
Utah	No	No	Yes	Rollovers out of Utah's in-state plan administered by my529 (UESP) would be required to be added back to Utah income to the extent the contributions were

				deducted in previous years on Utah returns, regardless of whether rolled over to an in-state plan (other than my529) or an out of state plan. Rollovers between other 529 plans to in-state or out-of-state plans would only be taxable to the extent they are taxable on the federal return.
Vermont	No	No	No	
Virginia	No	No	No	To the extent that a rollover is excluded from federal adjusted gross income under federal law, it would be exempt from Virginia tax.
Washington	No	No	No	
West Virginia	No	No	No	
Wisconsin	No	No	Yes	Amount previously deducted must be included in income.
Wyoming	No	No	No	

QUESTION 6

DOES STATE IMPOSE A RECAPTURE TAX ON ROLLOVERS OUT OF THE IN-STATE PLAN?

State	Yes	No	Explanation or Special Rules
Alabama	X		For taxable years beginning after December 31, 2007, nonqualified contribution withdrawals, plus 10 percent of amount withdrawn, must be added back to the income of the contributing taxpayer. See 40-18-15(a)(28)
Alaska		X	
Arizona		X	
Arkansas	X		Contributions previously deducted are recaptured if an account is rolled over to an out-of-state plan in the year that the rollover occurs. ACA 6-84-111
California		X	
Colorado	X		The Colorado recapture tax applies to rollovers to an out-of-state plan to the extent that the amount was excluded from Colorado income in the year of the contribution.
Connecticut		X	
Delaware		X	
District of Columbia	X		Tax deductions are subject to recapture with respect to withdrawals or rollovers taken from within two years of the establishment of the account and not used to pay education expenses.
Florida		X	
Georgia	X		For withdrawals other than qualified withdrawals and withdrawals which are rolled over to an out-of-state plan, the deduction previously taken is subject to recapture. *See* § 48-7-27(b)(10)(C). Also, in the same taxable year, if contributions to the plan are withdrawn and deducted as a federally qualified tuition and related expense under IRC 222, the deduction previously used

			in computing Georgia taxable net income must be added back to federal adjusted gross income.
Hawaii		X	
Idaho	X		The recapture amount is limited to contributions made by the account owner that were deducted on the account owner's income tax return for the year of the transfer and the prior taxable year. Idaho Code Section 63-3022(p).
Illinois	X		For taxable years beginning on or after January 1, 2007, contribution deductions must be recaptured. *See* 35 ILCS 5/203(a)(2)(D-21). For tax years beginning on or after January 1, 2018, this recapture was extended to contribution deductions to ABLE accounts. See 35 ICLS 5/203(a)(2)(D-20.5) and (D-21.5).
Indiana	X		Effective January 1, 2007, an owner of a plan that makes a nonqualified withdrawal must repay all or part of the credit in the taxable year in which the nonqualified withdrawal was made. IC 6-3-3-12. For purposes of this recapture, nonqualified withdrawals also include contributions that are used to pay for out-of-state K-12 tuition, amounts rolled over into an ABLE account, and, effective January 1, 2020, amounts used to make qualified education loan repayments.
Iowa	X		Iowa law requires taxpayers to add back certain withdrawn or transferred amounts to the extent that such amounts had been previously deducted as a contribution to the Iowa educational savings plan trust. See Iowa Code § 422.7(32); Iowa Admin. Code r. 701—40.53(3).
Kansas		X	
Kentucky		X	
Louisiana		X	Louisiana only imposes recapture to the extent imposed by federal law.
Maine		X	
Maryland		X	

Massachusetts	X		The deduction is subject to recapture in the taxable year or years in which distributions or refunds are made from the tuition or college savings account for any reason other than (i) to pay qualified higher education expenses, as defined by Internal Revenue Code (IRC) § 529(e)(3); or (ii) the beneficiary's death, disability or receipt of a scholarship.
Michigan		X	
Minnesota		X	
Mississippi		X	
Missouri		X	If the rollover is not allowed by 26 U.S.C. 529(c)(3)(C)(i), the amount improperly transferred must be added to the participant(s)'s adjusted gross income, to the extent that the individual(s) received a deduction or exemption for that amount from Missouri adjusted gross income in a tax period preceding the improper transfer.
Montana	X		A 6.9% recapture tax applies to roll-overs from an account if they occur within ~~three years~~one year of opening the account.
Nebraska	X		Previous deductions are recaptured.
Nevada		X	
New Hampshire		X	
New Jersey		X	
New Mexico	X		New Mexico recoups the deduction when previously claimed.
New York	X		A rollover from a New York plan to an out-of-state plan is treated as a nonqualified withdrawal and subject to recapture tax, except where the individual is neither a New York state resident nor a nonresident with New York source income.
North Carolina		X	
North Dakota		X	
Ohio	X		A rollover from an Ohio plan to an out-of-state plan is treated as a nonqualified withdrawal and subject to a recapture add-back if the taxpayer has previously deducted the amount on their Ohio return.
Oklahoma		X	

Oregon	X		ORS 316.680(2)(j). Funds withdrawn for a nonqualified purpose may need to be added back to Oregon income to the extent that they were previously subtracted from Oregon income under ORS 316.699.
Pennsylvania		X	
Rhode Island	X		
South Carolina		X	A rollover from a qualified 529 plan to another is not taxed. Withdrawals of the principal amount of contributions that are not qualified withdrawals must be recaptured into South Carolina income to the extent the contributions were previously deducted from South Carolina taxable income.
South Dakota		X	
Tennessee		X	
Texas		X	
Utah	X		Rollovers out of my529 (UESP) would be required to be added back to income to the extent that contributions were deducted from Utah income in previous years.
Vermont		X	
Virginia		X	To the extent that a rollover is excluded from federal adjusted gross income under federal law, it would be exempt from Virginia tax.
Washington		X	
West Virginia	X		
Wisconsin	X		Rollovers to an out-of-state plan are included in income to the extent the amount was previously claimed as a deduction.
Wyoming		X	

QUESTION 7

DOES STATE TAX DISTRIBUTIONS USED TO PAY QUALIFIED HIGHER EDUCATION EXPENSES?

State	Distributions From In-State Plan	Distributions from out-of-state Plan	Explanation or Special Rules
Alabama	No	Yes	
Alaska	No	No	No state income tax.
Arizona	No	No	
Arkansas	No	No	ACA 6-84-111
California	No	No	AB 91 (Stats. 2019, Ch. 39) specifically does not conform to Section 11032 of the Federal Tax Cuts and Jobs Act (Public Law 115-97), which provides that tax free distributions can be made to pay for qualified higher education expenses that now include primary and secondary school qualified expenses. Those same distributions are taxable under California law and therefore includable in the gross income of the distributee in the manner as provided under Section 72 of the Internal Revenue Code. However, such distributions would not disqualify the plan for California purposes.
Colorado	No	No	
Connecticut	No	No	Conn. Gen. Stat. §§ 12-701(a)(20)(B).
Delaware	No	No	
District of Columbia	No	No	DC conforms to changes made to the 529 Plan under the Federal Tax Cut and Jobs Act.
Florida	No	No	No state individual income tax.
Georgia	No	No	
Hawaii	No	No	Hawaii taxes distributions used to pay for elementary and secondary school expenses. Section 235-2.4(hh), Hawaii Revised Statutes.
Idaho	No	No	
Illinois	No	No	For taxable years beginning on or after January 1, 2007, distributions from certain out-of-state plans are not taxable. *See* 35 ILCS 5/203(a)(2)(D-20).

Indiana	No	No	Indiana requires a credit recapture if contributions are used to pay for out-of-state K-12 tuition, if an amount is rolled over into an ABLE account, or, effective January 1, 2020, used to make qualified education loan repayments.
Iowa	No	No	
Kansas	No	No	
Kentucky	No	No	
Louisiana	No	No	
Maine	No	No	Maine allows a deduction for a ~~withdrawal~~ qualified distribution from its own 529 plan (Nextgen) if the ~~withdrawal~~ distribution is included in federal adjusted gross income. *See* 36 M.R.S. § 5122(2)(J).
Maryland	No	No	
Massachusetts	No	No	
Michigan	No	No	
Minnesota	No	No	Minnesota statute requires an addition to Minnesota income for distributions from 529 savings plans used to pay tuition expenses under Internal Revenue Code section 529(c)(7) which is elementary or secondary public, private, or religious schools. These distributions are considered qualifying higher education expenses under federal law, but not qualifying under MN law. The addition is the lesser of the total distributions for the year from the 529 plan or the amount of earnings reported on Form 1099Q. https://www.revisor.mn.gov/statutes/cite/290.0131#stat.290.0131.15
Mississippi	No	No	
Missouri	No	No	Distributions used to pay higher education expenses are no longer taxed. Effective June 14, 2010, Senate Bill 772 removed the requirement that contributions had to be held a minimum of 12 months before a withdrawal or distribution could be released.
Montana	No	No	Note that Montana statute provides that withdrawals from a family education savings account made within ~~three~~ one year~~s~~ of the date that the account was opened are considered nonqualified (early) withdrawals.
Nebraska	No	No	Qualified withdrawals from the Nebraska College Savings Program 529 accounts are restricted to pay qualified expenses at schools for higher

			education (colleges, universities, technical schools, graduate programs). Beginning January 1, 2021, "qualified higher education expenses" includes costs incurred for apprenticeship programs registered and certified with the U.S. Secretary of Labor under 29 U.S.C. 50. Nebraska state statutes consider the use of the Nebraska 529 accounts for private and parochial K-12 schools as non-qualified withdrawals even though permissible under federal law. Any withdrawals for K-12 expenses from the Nebraska College Savings Program 529 would be non-qualified and subject to recapture to the extent of any state income tax deductions previously claimed on the Nebraska income tax return.
Nevada	No	No	
New Hampshire	No	No	
New Jersey	No	No	
New Mexico	No	No	
New York	No	No	
North Carolina	No	No	
North Dakota	No	No	
Ohio	No	No	
Oklahoma	No	No	
Oregon	No	No	
Pennsylvania	No	No	
Rhode Island	No	No	
South Carolina	No	No	
South Dakota	No	No	
Tennessee	No	No	
Texas	No	No	No state individual income tax.
Utah	No	No	
Vermont	No	No	

Virginia	No	No	Va. Code § 58.1-322.02(12) allows a subtraction for distributions from Virginia plans only, and for refunds from Virginia plans when the beneficiary dies, becomes disabled, or receives a scholarship. To the extent that distributions and refunds from out-of-state plans are included in federal adjusted gross income by federal law, they would be taxable by Virginia.
Washington	No	No	
West Virginia	No	No	
Wisconsin	No	No	An addition to income is required for any amount withdrawn from a college savings account for any purpose if the withdrawn amount was within 365 days of the day on which the amount was contributed to the account, and the withdrawn amount was previously subtracted.
Wyoming	No	No	

QUESTION 8

DOES STATE TAX OR IMPOSE PENALTIES ON DISTRIBUTIONS USED TO PAY NON-QUALIFIED HIGHER EDUCATION EXPENSES?

State	Distributions from In-State Plan	Distributions from Out-of-State Plan	Explanation or Special Rules
Alabama	Yes	Yes	See 40-18-15(a)(28) and also Rule 810-3-15-.27
Alaska	No	No	
Arizona	Yes (tax) No (penalty)	Yes (tax) No (penalty)	A.R.S. § 43-1021(15). Tax is imposed on the amount of a nonqualified withdrawal, as defined in § 15-1871, from a college savings plan established pursuant to section 529 of the Internal Revenue Code that is not included in computing federal adjusted gross income, except that the amount added under this paragraph shall not exceed the difference between the amount subtracted under § 43-1022 in prior taxable years and the amount added under § 43-1021 in any prior taxable year.
Arkansas	Yes (tax) No (penalty)	Yes (tax) No (penalty)	ACA 6-84-111
California	Yes	No	California applies a 2.5% penalty in lieu of the 10% federal penalty.
Colorado	Yes	No	Colorado taxes the original contribution amount if a deduction was claimed in the year that the contribution was made.
Connecticut	No	Yes	Connecticut follows federal law for nonqualified withdrawals from the Connecticut 529 plan unless the distributee is the beneficiary, in which event no Connecticut income tax is imposed on the distributions to the beneficiary. Connecticut follows federal law for nonqualified withdrawals from out-of-state plans. Conn. Gen. Stat. § 12-701(a)(20).
Delaware	No	No	
District of Columbia	Yes	No	DC conforms to changes made to the 529 Plan under the Federal Tax Cut and Jobs Act.
Florida	No	No	No state individual income tax.
Georgia	Yes	Yes	Income tax is imposed.
Hawaii	Yes	Yes	Hawaii follows federal law. However, no penalties are imposed. Section 235-2.4(ii~~hh~~), Hawaii Revised Statutes.
Idaho	Yes	Yes	Non-qualified distributions are taxed from both in-state and out-of-state plans. Non-qualified withdrawals are subject to tax but not penalty. Idaho Code Section 63-3022(o).

Illinois	Yes	Yes	For taxable years beginning on or after January 1, 2009, taxpayers who make a nonqualified distribution from a Section 529 plan must include in income the contribution component of the nonqualified distribution that was previously subtracted under IITA Section 203(a)(2)(Y). For taxable years beginning on or after January 1, 2018, taxpayers who make a nonqualified distribution from an ABLE plan must include in income the contribution component of the nonqualified distribution that was previously subtracted under IITA Section 203(a)(2)(HH). See 35 ILCS 5/203(a)(2)(D-20.5) and (D-21.5)
Indiana	Yes	Yes	Indiana imposes an income tax if (and to the extent) federal law results in income to the distributee for federal income tax purposes. Indiana also imposes a recapture of previously claimed credits. However, no separate penalty is imposed.
Iowa	Yes	Yes	Distributions used for non-qualified expenses are taxable to the extent deductions were taken on prior returns. There is no state penalty, however. Iowa Code § 422.7(32); Iowa Admin Code 701-40.53(3)
Kansas	No	No	
Kentucky	No	No	
Louisiana	Yes	Yes	Louisiana follows federal law. Per La. R.S. 47:293(9)(a)(vi), nonqualified withdrawals are subject to tax; no additional penalty.
Maine	Yes (tax) No (penalty)	Yes (tax) No (penalty)	Distributions are taxed to the extent included in federal adjusted gross income.
Maryland	Yes (tax) No (penalty)	No	An addition is required for any distribution from a Maryland program that is not used for qualified higher education expenses, reduced by any amount included in federal adjusted gross income. The cumulative amount of the addition does not exceed the cumulative amount allowed in the current or any previous year as a subtraction.
Massachusetts	No	No	
Michigan	Yes	Yes	If included in the recipients AGI, it is taxable in Michigan. No penalty is imposed.
Minnesota	Yes	Yes	There is an additional tax to taxpayers who receive nonqualified distributions from a 529 plan account and have previously claimed a Minnesota subtraction or credit. Minnesota statute does not recognize the distributions for K-12 tuition expenses as qualifying higher education expenses. Distributions used to pay for K-12 tuition are subject the additional tax if the taxpayer previously claimed the 529 plan contribution credit or subtraction. They are also nonqualified distributions for Minnesota purposes and the lesser of earnings or distributions for the year must be added to the taxpayer's income.

Mississippi	Yes (tax) No (penalty)	Yes (tax) No (penalty)	Mississippi imposes tax, but not additional penalties, on nonqualified distributions from in-state and out-of-state plans.
Missouri	Yes	Yes	Any distribution made by a qualified tuition savings program, not used for qualified education expenses, must be added to the participant(s)'s federal adjusted gross income, if the individual(s) received a deduction or exemption from Missouri adjusted gross income in a year preceding the nonqualified distribution.
Montana	Yes	Yes	Montana imposes a 6.9% recapture tax on non-qualified withdrawals.
Nebraska	Yes	No	If a Nebraska ~~College Savings Program~~ education savings plan trust account is cancelled or funds are withdrawn for a non-qualified purpose, the amounts previously claimed as deductions are subject to recapture. Nebr. Rev. Stat. § 77-2716(8) ~~(c)~~(d)(i).
Nevada	No	No	
New Hampshire	No	No	
New Jersey	No	No	New Jersey imposes tax, but not additional penalties, on nonqualified distributions from in-state and out-of-state plans.
New Mexico	Yes	No	Earnings will be taxed at the account owner's tax rate at the time of the nonqualified withdrawal and will be subject to a 10% program penalty and a 10% federal penalty. The principal may be subject to New Mexico state income tax if the account owner initially received a New Mexico state income tax deduction.
New York	Yes	No	The New York State tax on distributions used for nonqualified purposes will apply only to that portion of nonqualified distributions attributable to contributions that the taxpayer deducted in computing his or her New York State tax.
North Carolina	Yes	Yes	Distributions are taxed to the extent included in federal adjusted gross income. For taxable years beginning on or after January 1, 2018, an addition to federal adjusted gross income is required for amounts contributed to North Carolina's 529 Plan and deducted in a prior year that were later withdrawn and used for purposes other than education expenses of the designated beneficiary as permitted under section 529 of Code unless the withdrawal was: a.) Not subject to the additional tax imposed by section 529(c)(6) of the Code. -or- b.) Rolled over to an ABLE account as defined under N.C.G.S. 147-86.70(b).
North Dakota	Yes	Yes	Use of distributions to pay non-qualified higher education expenses are subject to income tax (to the same extent as on federal return). There is no separate penalty.
Ohio	Yes	Yes	Nonqualified withdrawals are subject to income tax to the extent that a deduction was previously taken. No additional penalty is imposed.

Oklahoma	No	No	
Oregon	Yes	Yes	ORS 316.680(2)(j). Nonqualified withdrawals are subject to income tax to the extent that a deduction was previously taken. No additional penalty is imposed.
Pennsylvania	Yes	Yes	Earnings are subject to income tax but not penalty. Principal that is attributable to contributions that were deducted in computing Pennsylvania taxable income is also subject to income tax.
Rhode Island	Yes	No	RIGL 44-30-12(4). Nonqualified withdrawals are subject to income tax to the extent that a deduction was previously taken. No additional penalty is imposed.
South Carolina	Yes (tax) No (penalty)	Yes (tax) No (penalty)	No penalties are imposed. The earnings portion withdrawn that are not qualified withdrawals are included in South Carolina income of the resident recipient in the year of withdrawal. Withdrawals of the principal amount of contributions that are not qualified withdrawals must be recaptured into South Carolina income to the extent the contributions were previously deducted from South Carolina income.
South Dakota	No	No	
Tennessee	No	No	Payments not authorized by federal or state law are not exempt from taxation. *See* Tenn. Code Ann. § 49-7-822.
Texas	No	No	No state individual income tax.
Utah	Yes (tax) No (penalty)	No	Distributions must be used for qualified K-12 tuition and higher education expenses. Distributions for qualified K-12 expenses are limited to an aggregate of $10,000 per year, per beneficiary. Distributions used for nonqualified expenses or other purposes are taxable to the recipient. However, there is no state penalty.
Vermont	No	No	The taxpayer is required to repay 10% of any distribution, which is not excluded from gross income under IRC § 529, up to a maximum of the total credits received. Repayment is subject to penalty and interest. V.S.A. § 5825a(b)
Virginia	Yes (tax) No (penalty)	Yes (tax) No (penalty)	*Va. Code §* 58.1-322.03(7)(a) requires the recapture of prior deductions if a distribution is not used for qualified educational expenses or refunds are not attributable to the beneficiary's death, disability or receipt of a scholarship.
Washington	No	No	
West Virginia	Yes (tax) No (penalty)	Yes (tax) No (penalty)	
Wisconsin	Yes (tax) No (penalty)	Yes (tax) No (penalty)	If the owner or beneficiary is subject to a federal penalty, the amount distributed must be included in Wisconsin income if this amount was previously included as a subtraction for 2014 or thereafter. ~~**Note: Wisconsin did not adopt section 302 of Public Law 116-94**. Therefore, costs associated with registered apprenticeships and qualified student loan repayments are not considered qualified higher education expenses for Wisconsin purposes.~~

Wyoming	No	No	