

# **Greatways Tax Service, Inc.**

FOR ALL YOUR TAX, ACCOUNTING & NOTARY NEEDS

## **Deductibility of State 529 Plan Contributions**

California, Delaware, Hawaii, Kentucky, Massachusetts, Minnesota, New Jersey and Tennessee currently have state income taxes but do not offer a state income tax deduction or tax credit for contributions to the state's 529 college savings plan

Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming do not have state income taxes.

So far a total of 34 states and the District of Columbia offer such a deduction.

The following table shows the limits, if any, on state income tax deductions for section 529 plan contributions. If there is a limit on the amount of the deduction, many states allow carry forward of excess contributions to future income tax returns.

<b>State</b>	<b>529 Deduction</b>
Alabama	\$5,000 per parent (\$10,000 joint)
Alaska	No state income tax
Arizona	\$2,000 single or head of household/\$4,000 joint (any state plan)
Arkansas	\$5,000 per parent (\$10,000 joint)
California	--
Colorado	Full amount of contribution
Connecticut	\$5,000 per parent (\$10,000 joint), 5 year carryforward on excess contributions
Delaware	--
Florida	No state income tax
Georgia	\$2,000 per beneficiary
Hawaii	--
Idaho	\$4,000 single/\$8,000 joint
Illinois	\$10,000 single/\$20,000 joint per beneficiary
Indiana	20% tax credit on contributions up to \$5,000 (\$1,000 maximum credit)

1440 Maple Ave, Suite # 2B, Lisle, Illinois, 60532

[www.greatwaysinc.com](http://www.greatwaysinc.com) \* Ph: 630-663-1500\*Fax: 630-388-5663\*Email:Tax@greatwaysinc.com

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Iowa	\$3,163 single/\$6,326 joint per account
Kansas	\$3,000 single/\$6,000 joint per beneficiary (any state plan), above the line exclusion from income
Kentucky	--
Louisiana	\$2,400 single/\$4,800 joint per beneficiary, above the line exclusion from income, unlimited carryforward of unused deduction into subsequent years
Maine	\$250 per beneficiary
Maryland	\$2,500 per account per beneficiary, 10 year carryforward
Massachusetts	--
Michigan	\$5,000 single/\$10,000 joint, above the line exclusion from income
Minnesota	--
Mississippi	\$10,000 single/\$20,000 joint, above the line exclusion from income
Missouri	\$8,000 single/\$16,000 joint, above the line exclusion from income
Montana	\$3,000 single/\$6,000 joint, above the line exclusion from income
Nebraska	\$10,000 per tax return (\$5,000 if filing separate), above the line exclusion from income
Nevada	No state income tax
New Hampshire	--
New Jersey	--
New Mexico	Full amount of contribution, above the line exclusion from income
New York	\$5,000 single/\$10,000 joint, above the line exclusion from income
North Carolina	\$2,500 single/\$5,000 joint, above the line exclusion from income
North Dakota	\$5,000 single/\$10,000 joint
Ohio	\$2,000 per beneficiary per contributor or married couple, above the line exclusion from income, unlimited carryforward of excess contributions
Oklahoma	\$10,000 single/\$20,000 joint per beneficiary, above the line exclusion from income, five-year carryforward of excess contributions
Oregon	\$2,265 single/\$4,530 joint (i.e., \$2,265 per contributor) per year, above the line exclusion from income, four-year carryforward of excess contributions

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Pennsylvania	\$14,000 per contributor/\$28,000 joint per beneficiary (any state plan)
Rhode Island	\$500 single/\$1,000 joint, above the line exclusion from income, unlimited carryforward of excess contributions
South Carolina	Full amount of contribution, above the line exclusion from income
South Dakota	No state income tax
Tennessee	--
Texas	No state income tax
Utah	5% tax credit on contributions of up to \$1,900 single/\$3,800 joint per beneficiary (credit of \$95 single/\$190 joint)
Vermont	10% tax credit on up to \$2,500 in contributions per beneficiary (up to \$250 tax credit per taxpayer per beneficiary)
Virginia	\$4,000 per account per year (no limit age 70 and older), above the line exclusion from income, unlimited carryforward of excess contributions
Washington, DC	\$4,000 single/\$8,000 joint, above the line exclusion from income
Washington	No state income tax
West Virginia	Full amount of contribution up to extent of income, above the line exclusion from income, five-year carryforward of excess contributions
Wisconsin	\$3,000 per dependent beneficiary, self or grandchild, above the line exclusion from income
Wyoming	No state income tax

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