



SPONSOR: Rep. Paradee & Sen. Poore  
Reps. Hensley, Keeley, Mitchell, M. Smith, Spiegelman,  
Wilson; Sens. Henry, Richardson

HOUSE OF REPRESENTATIVES  
149th GENERAL ASSEMBLY

HOUSE BILL NO. 296

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO ABLE SAVINGS ACCOUNTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1           Section 1. Amend Section 1106, Title 30 of the Delaware Code by making deletions as shown by strike through  
2 and insertions as shown by underline as follows:

3           § 1106. Modifications.

4           (b) *Subtractions.* — There shall be subtracted from federal adjusted gross income:

5                     (10) The amount, not to exceed \$2,500 for an individual or \$5,000 for spouses, contributed during the  
6                     taxable year to a qualified ABLE program, as that term is defined under 26 U.S.C. § 529A, that is sponsored by  
7                     the State of Delaware or offered by a consortium of states of which Delaware is a member. This paragraph shall  
8                     not apply if the federal adjusted gross income of the taxpayer exceeds \$125,000 in the case of an individual, or  
9                     \$250,000 in the case of spouses, without regard to whether the spouses file a joint return or separate returns under  
10                    this chapter. In the case of spouses, the total allowable subtraction from federal adjusted gross income combined  
11                    for both spouses shall not exceed \$5,000 without regard to whether the spouses file a joint or separate returns.

12          Section 2. This Act takes effect beginning with the 2018 tax year.

SYNOPSIS

This bill creates a tax deduction of up to \$2,500 for an individual or \$5,000 for a married couple for contributions to a qualified 529A savings account, or "ABLE" plan - a special account for meeting the needs of certain individuals with disabilities. The deduction may only be claimed by a taxpayer who makes less than \$125,000 or a married couple who makes less than \$250,000. It is applicable only to ABLE plans sponsored by the State of Delaware or offered by a consortium of states of which Delaware is a member.