



SPONSOR: Rep. Griffith & Rep. K. Johnson & Sen. Paradee
Reps. Bush, Heffernan, Shupe, Michael Smith; Sens.
Hansen, Sturgeon

HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 259

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO COLLEGE SAVINGS AND “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) Any amount, up to a limit of \$2,500, contributed during the taxable year to a qualified tuition program, as~~
6 ~~that term is defined under 26 U.S.C. § 529.~~

7 ~~(11) Any amount, up to a limit of \$5,000, contributed during the taxable year to a qualified ABLE program, as~~
8 ~~that term is defined under 26 U.S.C. § 529A.~~

9 Section 2. This Act shall take effect beginning with the 2019 tax year.

SYNOPSIS

This bill would allow Delaware residents two new deductions from personal income tax. The first is a deduction from taxable income of up to \$2,500 for contributions to a “529” College Savings Plan. The second is a deduction from taxable income of up to \$5,000 for contributions to a “529A” Savings Account – a special account for meeting the needs of certain individuals with disabilities. Under this Act, a Delaware resident taxpayer would be eligible for the deduction regardless of whether they made a contribution to a 529 or 529A plan sponsored by the State of Delaware or another state or institution, so long as the plans met federal criterion.