

March 20, 2007

**S 1040. REVISE 529 PLAN DEDUCTION.** Filed 3/20/07. *TO ENHANCE THE TAX BENEFITS OF CONTRIBUTIONS TO THE PARENTAL SAVINGS TRUST FUND OF THE STATE EDUCATION ASSISTANCE AUTHORITY.*

GS 105-134.6(d)(4) permits a NC taxpayer to deduct up to \$2,000 (\$4,000 for married couples filing jointly) for contributions to the Parental Savings Trust Fund of the State Education Assistance Authority, if the taxpayer's adjusted gross income is below certain thresholds; the subsection is due to sunset after the 2010 tax year. This bill increases the amount that can be deducted to \$2,500 (or \$5,000), removes the thresholds, and repeals the sunset. The changes to GS 105-134.6 are effective for taxable years beginning on or after January 1, 2007.

**Intro. by Rand.**

GS 105