

SB 526 -- MISSOURI HIGHER EDUCATION SAVINGS PROGRAM

SPONSOR: Scott (Cunningham, 145)

COMMITTEE ACTION: Voted "do pass" by the Committee on Higher Education by a vote of 7 to 3.

This bill requires that any contribution to the Missouri Higher Education Savings Program be held by the program for at least 12 months in order to avoid penalties provided in current law.

FISCAL NOTE: Estimated Income on General Revenue Fund of Unknown - Expected to be Less than \$100,000 in FY 2006, FY 2007, and FY 2008. No impact on Other State Funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that some families are using a loophole in the system to make a deposit, get the maximum tax credit, and withdraw tuition funds in a short period of time. The system was set up for long-term deposits.

Testifying for the bill was Senator Scott.

OPPOSERS: There was no opposition voiced to the committee.

Becky DeNeve, Senior Legislative Analyst