

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute for Senate Bill No. 150, Page 1, Section
2 A, Line 4, by inserting after all of the said section and line the following:
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4 "166.435. 1. Notwithstanding any law to the contrary, the assets of the program held by the
5 board, the assets of any deposit program authorized in section 166.500, and the assets of any
6 qualified tuition program established pursuant to Section 529 of the Internal Revenue Code and any
7 income therefrom shall be exempt from all taxation by the state or any of its political subdivisions.
8 Income earned or received from the program, deposit, or other qualified tuition programs
9 established under Section 529 of the Internal Revenue Code, or refunds of qualified education
10 expenses received by a beneficiary from an eligible educational institution in connection with
11 withdrawal from enrollment at such institution which are contributed within sixty days of
12 withdrawal to a qualified tuition program of which such individual is a beneficiary shall not be
13 subject to state income tax imposed pursuant to chapter 143 and shall be eligible for any benefits
14 provided in accordance with Section 529 of the Internal Revenue Code. The exemption from
15 taxation pursuant to this section shall apply only to assets and income maintained, accrued, or
16 expended pursuant to the requirements of the program established pursuant to sections 166.400 to
17 166.455, the deposit program established pursuant to sections 166.500 to 166.529, and other
18 qualified tuition programs established under Section 529 of the Internal Revenue Code, and no
19 exemption shall apply to assets and income expended for any other purposes. Annual contributions
20 made only to the ~~[program held by the board, the]~~ deposit program~~[-and any qualified tuition]~~ or the
21 Missouri education program established under ~~[Section 529 of the Internal Revenue Code]~~ sections
22 166.400 to 166.455, or both, up to and including eight thousand dollars per taxpayer, and up to
23 sixteen thousand dollars for married individuals filing a joint tax return, shall be subtracted in
24 determining Missouri adjusted gross income pursuant to section 143.121.

25 2. If any deductible contributions to or earnings from any such program referred to in this
26 section are distributed and not used to pay qualified education expenses, not transferred as allowed
27 by 26 U.S.C. Section 529(c)(3)(C)(i), as amended, and any Internal Revenue Service regulations or
28 guidance issued in relation thereto, or are not held for the minimum length of time established by
29 the appropriate Missouri board, then the amount so distributed shall be included in the Missouri
30 adjusted gross income of the participant, or, if the participant is not living, the beneficiary.

Action Taken _____ Date _____

1 3. The provisions of this section shall apply to tax years beginning on or after January 1,
2 2008, and the provisions of this section with regard to sections 166.500 to 166.529 shall apply to tax
3 years beginning on or after January 1, 2004."; and

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5 Further amend said bill by amending the title, enacting clause, and intersectional references
6 accordingly.