

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

**Offered By**

1 AMEND House Committee Substitute for House Bill No. 606, Page 2, Section 160.575, Line 16, by inserting after all of  
2 the said section and line the following:  
3

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

21 2. If any deductible contributions to or earnings from any such program referred to in this section are  
22 distributed and not used to pay qualified education expenses, not transferred as allowed by 26 U.S.C. Section  
23 529(c)(3)(C)(i), as amended, and any Internal Revenue Service regulations or guidance issued in relation thereto, or are  
24 not held for the minimum length of time established by the appropriate Missouri board, then the amount so distributed  
25 shall be included in the Missouri adjusted gross income of the participant, or, if the participant is not living, the  
26 beneficiary.

27 3. The provisions of this section shall apply to tax years beginning on or after January 1, 2008, and the  
28 provisions of this section with regard to sections 166.500 to 166.529 shall apply to tax years beginning on or after  
29 January 1, 2004."; and  
30

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

Action Taken \_\_\_\_\_ Date \_\_\_\_\_