

HCS HB 2116 -- CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS

SPONSOR: Owen

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 11 to 3 with 1 member voting present.

The following is a summary of the House Committee Substitute for HB 2116.

Currently, contributions to any section 529 qualified tuition program are exempt from state tax.

Under this bill, beginning on or after January 1, 2027, annual contributions made only to the Missouri Higher Education Deposit Program under Section 166.500, RSMo, or the Missouri Education Program established under Sections 166.400 to 166.455, or both, can be subtracted for determining the Missouri adjusted gross income, up to \$8,000 per taxpayer, and up to \$16,000 for married individuals filing a joint tax return. However, if an individual has claimed a subtraction prior to December 31, 2026, such individual can continue to claim the subtraction in subsequent tax years.

This bill is similar to HB 1272 (2025).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill will not reduce the amount of investment options Missourians will have access to and will not deter Missourians from investing in the MO 529 plan. This bill will allow Missouri to save tax payer money by not providing a tax incentive to individuals who do not invest in the MO 529 plan, but in out of state plans.

Testifying in person for the bill were Representative Owen; and Vivek Malek, State Treasurer's Office.

OPPONENTS: Those who oppose the bill say that this bill will move Missouri backwards with policy and limit the choice of investments to Missourians. Many stated that the tax incentive was originally established to incentivize Missourians to invest in their children's college fund, not to invest in the Missouri

529 plan. Some claimed that this bill will force Missourians to invest their money with low rates of return.

Testifying in person against the bill were Securities Industry and Financial Markets Association; Missouri Chamber of Commerce and Industry; Edward Jones & Co.; Arnie Dienoff; and Kevin Engler.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.