



**Representative Stephen A. Huffman  
80th House District**

HB 74 Sponsor Testimony

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Chairman Schaffer, Vice-Chair Scherer, and members of the House Ways and Means Committee,

Thank you for the opportunity to speak with the committee today regarding House Bill 74. This bill will effectively raise the individual income tax deduction for the CollegeAdvantage 529 savings plan from \$2,000 to \$3,000 dollars. The current deduction amount has not been changed in almost 20 years.

The CollegeAdvantage program is designed to help individuals and families save for college in a tax-advantaged way. For calendar years 2015-2016, the 529 program added 10,000 direct plan accounts and has seen a growth rate of 10,000 per year since 2014. Of those accounts, 30% of contributions were at least \$1,000. This shows Ohioans are investing in their children's/grandchildren's future in a significant way.<sup>1</sup>

In addition, the average amount existing in Ohio-owned accounts in 2016, was roughly \$15,000. That amount could not only help fund the cost of a baccalaureate education but could fully fund an associates or technical education based upon the average costs of tuition around the state.<sup>2</sup>

We believe if the legislature wishes to emphasize the importance of higher education, along with vocational and technical training, it is imperative we continue to encourage the growth and increased number of contributions to 529 plans. By doing so, the General Assembly will continue to ensure the next generation of Ohioans will have the opportunity to pursue a form of secondary education and be prepared for the ever-changing job market.

Thank you for your time and consideration and at this time we would be happy to answer any questions you may have.<sup>3</sup>

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<sup>1</sup> Obtained from Ohio Tuition Trust Authority data CY2016. See attached.

<sup>2</sup> The average cost of a two-year associate's degree, is approximately \$8,000-\$10,000 based on FY16 data totaling the cost of roughly \$2,000-\$2,500 per semester for a full time enrolled student. See <https://www.ohiohighered.org/data-reports/tuition-financial-aid>

<sup>3</sup> Remember, amendment has been drafted to dissociate from ABLE account deductions. This bill does NOT change that deduction amount.