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Senate Bill 33
Sponsor Testimony
House Ways & Means Committee
December 13, 2022

Chairman Merrin, Vice-Chair Riedel, Ranking Member Sobecki and members of the House Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 33.

Senate Bill 33 would expand the income tax deduction allowed for contributions to Ohio's 529 college savings program to include contributions to any qualified 529 programs established under the Internal Revenue Service.

The objective of this bill is to provide the same tax benefit to all families saving for college in Ohio. As you may recall, in 2018, we increased the tax deduction for contributions to 529 plans from \$2,000 to \$4,000. However, only families investing in Ohio's 529 College Saving plan receive the deduction against their taxable income. This bill would extend the same tax benefit to all Ohio families paying state income taxes whether they invest in Ohio's plan or another state's plan which may be a better option for their family's needs.

Senate Bill 33 allows Ohioans to focus on the important aspects of the plan rather than solely on a state tax deduction. It will help individuals make better choices and let the market decide which plan is best for the individual and their risk preferences.

Many states, including Pennsylvania, Arizona, Minnesota, Kansas, Missouri, Montana and others, have enacted plans that offer tax parity for their residents.

Senate Bill 33 passed out of the Senate Ways & Means Committee unanimously, and it was also passed unanimously by the full Senate.

Thank you for allowing me to present Senate Bill 33. I urge your swift and favorable consideration of the bill so that we can encourage more families to save for education expenses.