

Chair Roemer, Vice Chair Merrin, Ranking Member Troy, and all honorable members of the House Ways & Means Committee, thank you for the opportunity to provide written proponent testimony on H.B. 125, which would raise the annual deduction limit for married, joint filers for contributions to state 529 plans and ABLE savings accounts to \$8,000 as well as index the annual deduction limits to inflation.

Under current Ohio law, a taxpayer may claim a tax deduction from contributions to the state's 529 education savings plan or an ABLE savings account at a limit of \$4,000 per beneficiary per year. This limit, however, applies to both taxpayers filing individual returns and married taxpayers filing joint returns, creating a de facto 'marriage penalty' where married couples filing separately could deduct \$4,000 each while married couples filing jointly can only deduct \$4,000 total. H.B. 125 simply redefines the annual contribution limit in statute to allow for joint filers to claim an \$8,000 deduction, thereby removing the 'marriage penalty'. This bill additionally indexes the deduction limit to inflation beginning in 2024, and it also retains the unlimited carry forward provision that allows taxpayers to contribute in excess of the annual deduction limit and claim those deductions in future years.

As a parent of a child with Down Syndrome, my wife and I have contributed to our daughter's STABLE account since its inception. Our daughter, Anne, who works at Kroger, also contributes to her STABLE account.

These accounts were created to provide a means for families and eligible individuals to provide for their financial needs. An increased tax deduction will further incentivize families to make these investments. The more these accounts grow, the less reliance Anne and her peers will have on government support.

Let us help our daughter, so you won't have to.

Please pass H.B. 125.

Sincerely,

Charles H. Gerhardt, III