



**Representative Adam Mathews**  
56<sup>th</sup> House District

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64<sup>th</sup> House District

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 sponsor 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 both to 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.

Ohio's 529 plan provides an invaluable tool for parents and families to invest in the education of their children, and each investment a family makes in this plan works to afford the next generation greater opportunity to receive a quality education and pursue their vocations. Similarly, Ohio's ABLE savings accounts, which allow Ohioans with special needs to save without jeopardizing their disability benefits, are instrumental in allowing these Ohioans to invest in their financial stability without risking the benefits they depend on. Our aim with this legislation is to expand on these opportunities and ensure that all Ohioans, regardless of how they choose to file their tax returns, benefit from the same opportunities to invest in their education and their future.

Many other states across the country similarly allow for a doubled deduction limit for joint filers, including several of our neighbors. For example, Pennsylvania allows for an individual \$17,000 and joint \$34,000 deduction, and Michigan allows for an individual \$5,000 and joint \$10,000 deduction. By passing this common sense and pro-family legislation, we aim to join them and afford greater education and disability investment opportunities to all Ohioans.

Thank you for the opportunity to testify before you today, and we look forward to answering any questions the Committee may have.