

529 plan tax benefits by state, 2023 (Source: J.P. Morgan Asset Management, leveraging data from savingforcollege.com and taxfoundation.org.)

State	Maximum annual state income tax benefit ¹	Who qualifies?	Carry forward ²	Top state tax rate	State tax savings ³	Net tax savings ⁴
ALABAMA	\$5,000 (I), \$10,000 (J) ⁵	Taxpayer		5.00%	\$500	\$315
ARIZONA	\$2,000 (I), \$4,000 (J) (per beneficiary)	Taxpayer		2.50%	\$100	\$63
ARKANSAS	\$5,000 (I), \$10,000 (J) ⁶ (in-state plan) \$3,000 (I), \$6,000 (J) ⁶ (out-of-state plan)	Taxpayer	4 years	4.90%	\$490	\$309
COLORADO	\$20,700 (I), \$31,000 (J) (per beneficiary) ⁷	Taxpayer		4.40%	\$440	\$277
CONNECTICUT	\$5,000 (I), \$10,000 (J)	Taxpayer	5 years	6.99%	\$699	\$440
DELAWARE	\$1,000 (I), \$2,000 (J) ⁸	Taxpayer		6.60%	\$132	\$83
DIST. OF COLUMBIA	\$4,000 (I), \$8,000 (J) ⁹	Account owner	5 years	10.75%	\$860	\$542
GEORGIA	\$4,000 (I), \$8,000 (J) (per beneficiary)	Taxpayer		5.75%	\$460	\$290
IDAHO	\$6,000 (I), \$12,000 (J)	Taxpayer		5.80%	\$580	\$365
ILLINOIS	\$10,000 (I), \$20,000 (J)	Taxpayer		4.95%	\$495	\$312
INDIANA	Tax credit up to \$1,500 (I,J), \$750 if married filing separately	Taxpayer	Credit	3.15%	\$1,500	\$945
IOWA	\$3,785 (I), \$7,570 (J) (per beneficiary) ^{5,10}	Account owner		6.00%	\$454	\$286
KANSAS	\$3,000 (I), \$6,000 (J) (per beneficiary)	Taxpayer		5.70%	\$342	\$215
LOUISIANA	\$2,400 (I), \$4,800 (J) (per beneficiary) ¹¹	Taxpayer	Unlimited	4.25%	\$204	\$129
MAINE	\$1,000 (I,J) (per beneficiary) ⁸	Taxpayer		7.15%	\$72	\$45
MARYLAND	\$2,500 (I), \$5,000 (J) (per beneficiary)	Account owner and contributors	10 years	5.75%	\$288	\$181
MASSACHUSETTS	\$1,000 (I), \$2,000 (J)	Taxpayer		9.00%	\$180	\$113
MICHIGAN	\$5,000 (I), \$10,000 (J) ¹²	Taxpayer		4.25%	\$425	\$268
MINNESOTA	\$1,500 (I), \$3,000 (J), or tax credit up to \$500, depending on AGI ¹³	Taxpayer		9.85%	\$296	\$186
MISSISSIPPI	\$10,000 (I), \$20,000 (J)	Taxpayer		5.00%	\$500	\$315
MISSOURI	\$8,000 (I), \$16,000 (J)	Account owner/spouse ¹⁴		4.95%	\$495	\$312
MONTANA	\$3,000 (I), \$6,000 (J)	Account owner/spouse or custodian/parent		6.75%	\$405	\$255
NEBRASKA	\$10,000 (I,J), \$5,000 if married filing separately	Account owner or parent/guardian of UGMA/UTMA beneficiary		6.64%	\$664	\$418
NEW JERSEY	\$10,000 (I,J), if gross income is \$200,000 or less	Taxpayer		10.75%	See below ¹⁹	See below ¹⁹
NEW MEXICO	Full contribution amount	Taxpayer		5.90%	\$590	\$372
NEW YORK	\$5,000 (I), \$10,000 (J)	Account owner/spouse ¹⁴		9.65% ²⁰	\$965	\$608
NORTH DAKOTA	\$5,000 (I), \$10,000 (J)	Taxpayer		2.90%	\$290	\$183
OHIO	\$4,000 (I,J) (per beneficiary)	Taxpayer	Unlimited	3.99%	\$160	\$101
OKLAHOMA	\$10,000 (I), \$20,000 (J)	Taxpayer	5 years	4.75%	\$475	\$299
OREGON	Tax credit up to \$150 (I), \$300 (J) ¹⁵	Taxpayer	Credit	9.90%	\$300	\$189
PENNSYLVANIA	\$17,000 (I), \$34,000 (J) (per beneficiary) ¹⁶	Taxpayer		3.07%	\$307	\$193
RHODE ISLAND	\$500 (I), \$1,000 (J)	Taxpayer	Unlimited	5.99%	\$60	\$38
SOUTH CAROLINA	Full contribution amount	Taxpayer		6.50%	\$650	\$410
UTAH	Tax credit up to \$111 (I), \$222 (J) (per beneficiary) ^{10,17}	Account owner ¹⁷	Credit	4.85%	\$222	\$140
VERMONT	10% tax credit on contributions up to \$2,500 (I), \$5,000 (J) (per beneficiary)	Account owner and contributors	Credit	8.75%	\$500	\$315
VIRGINIA	\$4,000 (I,J); fully deductible if age 70 or older (per account) ¹⁸	Account owner	Unlimited	5.75%	\$230	\$145
WEST VIRGINIA	Full contribution amount	Taxpayer		6.50%	\$650	\$410
WISCONSIN	\$3,860 (I,J), \$1,930 if married filing separately (per beneficiary) ¹⁰	Taxpayer	Unlimited	7.65%	\$295	\$186

I = Filing individually, J = Filing jointly ● Plan home state ● Tax parity ● In-state tax benefit

Important information

¹ State tax deductions may be subject to recapture on non-qualified withdrawals and/or out bound rollovers in subsequent years. Review the applicable plan disclosure statements. ² Some states allow taxpayers who contribute above the maximum annual tax deduction to carry forward excess contributions to future state income tax returns. ³ Assumes joint tax filers in the top state tax bracket with \$10,000 in 529 plan contributions, or less in states with lower maximums. ⁴ If you itemize, state tax savings must be claimed as income on the following year's federal tax return. Net savings reflect final savings after federal taxes (hypothetical tax rate of 37%). ⁵ Married couples must each make their own contribution. ⁶ When investing in a non-Arkansas 529 plan as an Arkansas resident, there is still a state income tax deduction, but it is only \$3,000 for an individual filer and \$6,000 for a couple filing jointly. ⁷ Adjusted annually based on state college costs. ⁸ Deduction does not apply to individuals with federal AGI over \$100,000 (or \$200,000 for joint filers). ⁹ Married couples must each make contributions to their own account. ¹⁰ Adjusted annually for inflation. ¹¹ Certain deductions may be claimed each year for an account opened for needy, non-related beneficiaries meeting eligibility requirements. Consult your tax advisor for more information. ¹² Contributions are reduced by qualified withdrawals during the year for purposes of determining the amount that may be deducted. ¹³ Tax credit equals 50% of contributions, reduced by any withdrawals. Income thresholds used to determine the maximum credit amount are adjusted annually for inflation. ¹⁴ Contributions by a spouse are deductible only if a joint return is filed. ¹⁵ The amount the taxpayer must contribute to get the full credit increases based on income. ¹⁶ Spouses filing jointly must each have at least \$17,000 in income to claim the maximum \$34,000 per-beneficiary deduction. ¹⁷ Contributions to an account established after a beneficiary reaches age 19 are not eligible. Contributions from a non-owner are creditable by the account owner and not by the non-owner/contributor. ¹⁸ Contributions are fully deductible in the year of contribution for taxpayers at least 70 years of age. Contributions from a non-owner are deductible by the account owner and not by the non-owner/contributor. ¹⁹ NJ taxpayers in the top tax bracket (10.75%) would be ineligible for deduction. The last tax bracket eligible for a deduction prior to phase out would be the 6.37% tax rate bracket. A \$10,000 deduction at these rates translates to a net savings of \$401. ²⁰ 9.65% is the applicable tax rate for joint filers with an AGI of \$2,155,350. The applicable tax rate for taxpayers with an AGI of \$5,000,000 and \$25,000,000 is 10.30% and 10.90%, respectively.

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