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**Idaho Increases Tax Deduction for
Idaho Families and Individuals Saving for College**

*H185 Boosts Tax Benefits for Contributors to IDEal 529 College Savings Accounts;
Intends to Accelerate College Go-On Rates by Lessening Financial Barriers and Encouraging Saving*

(BOISE)—Idahoans who are saving for college—for a child, grandchild, niece/nephew, or even for themselves—could benefit from an increased tax deduction passed by the Idaho Legislature and signed into law on March 20, 2017 by Governor C. L. “Butch” Otter. Idaho taxpayers who save for college using IDEal—Idaho’s 529 College Savings Program may deduct the amount they contribute to the savings plan from their state taxes. The new and higher tax deduction is in response to rising tuition and fees, which have increased on average by 189% since 2000, when the original tax deduction went into effect. ¹

“We’ve set high goals for improving on the number of Idahoans who go on to higher education. This legislation will help us achieve those goals,” Governor Otter said. “Idaho employers need more well-educated workers for increasingly technical jobs in our growing economy. That means we need to do more to empower individuals and families to start preparing early for the financial requirements of a college education. House Bill 185 improves on the IDEal model for helping Idahoans help themselves.”

Rep. Caroline Nilsson Troy (R-Genesee), the bill’s sponsor, stated, “I love how this program supports our Idaho colleges and universities. The top 10 schools where these savings are spent is at our own higher education institutions. When families save for college with IDEal, they signal to their children and loved ones that higher education is a priority. Similarly, this increased deduction reinforces the message to Idaho families that we support them in their efforts to build a college-going culture in their homes.”

Previously, the maximum annual deductible amount for contributions to an IDEal account was \$4,000 for single filers and \$8,000 for married couples filing jointly. When Idahoans file their 2017 taxes next year, they will be able to deduct up to \$6,000 as single filers or \$12,000 as married couples filing jointly. The following chart shows how much IDEal account contributors, in the highest tax bracket, could potentially save on their Idaho state taxes:

| Type of Filer | Max. 2016 Deduction | Potential 2016 Tax Savings | Max. 2017 Deduction | Potential 2017 Tax Savings |
|---------------|---------------------|----------------------------|---------------------|----------------------------|
| Individual | \$4000 | \$296 | \$6000 | \$444 |
| Joint | \$8000 | \$592 | \$12,000 | \$888 |

¹ Tuition and fees calculations represent the average change from 2000 to 2016 for Idaho’s four-year colleges. Idaho State Board of Education. *Cost of Student Attendance Four Year Schools*, 2017.

Senator Mark Nye (D-Pocatello), who carried the bill on the Senate floor, added, “I was proud to carry this bill for the tens of thousands of Idaho families who use IDeal. This is an important step in our continued efforts to reduce the barriers to higher education in our state.”

With just \$25, anyone can start saving for any family member (including oneself) in an IDeal account. Money saved with the Program can be used to pay for qualified expenses such as room and board, tuition, fees, books, and computers at any accredited post-secondary institution in the United States, including career and technical programs, two-year, four-year, postgraduate, and even dual-credit courses. Qualified withdrawals are free from state and federal taxes on investment earnings. ²

Christine Stoll, Executive Director of IDeal, noted, “We know that students’ futures can be changed by the mere fact that their families are saving for college, potentially offsetting costs down the road and setting the expectation that they will achieve great things. The state tax deductions are now better aligned with the reality of tuitions and fees that have risen since the original law was passed.”

State Treasurer Ron Crane also praised the new legislation: “I am delighted with the passage of this law. All Idahoans are the beneficiary of this increase. Idaho truly recognizes the necessity of a college education and this benefit enhancement signals how strongly the Legislature and the Governor feel about encouraging folks to get their college degrees”.

IDeal is a self-sustaining program, funded by annual asset-based management fees. For more information and to start saving, visit idsaves.org.

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² Earnings on non-qualified withdrawals are subject to federal income tax and may be subject to a 10% federal penalty tax, as well as state and local income taxes. The availability of tax or other benefits may be contingent on meeting other requirements.

About IDeal – Idaho College Savings Program

IDeal is located within State Treasurer Ron Crane’s office and is administered by the Idaho College Savings Program Board. Ascensus Broker Dealer Services, Inc. serves as Program Manager.

For more information, about IDeal, contact Christine Stoll at 208-332-2935, cstoll@idsaves.idaho.gov, or visit www.idsaves.org.

For more information about the Idaho College Savings Program (IDeal), call 866-433-2533 or visit www.idsaves.org to obtain a Disclosure Statement. The Disclosure Statement discusses investment

objectives, risks, charges, expenses, and other important information. Because investing in IDEal is an important decision for you and your family, you should read and consider the Disclosure Statement carefully before investing. Ascensus Broker Dealer Services, Inc. (ABD) is Distributor of IDEal.

If you are not an Idaho taxpayer, consider before investing whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.

IDEal is administered by the Idaho College Savings Program Board (Board). ABD, the program manager, and its affiliates, have overall responsibility for the day-to-day operations, including investment advisory and recordkeeping and administrative services. The Vanguard Group, Inc. (Vanguard) serves as Investment Manager for IDEal. Sallie Mae Bank serves as the Savings Portfolio Manager for IDEal. IDEal's Portfolios invest in either: (i) mutual funds offered or managed by Vanguard; or (ii) an FDIC-insured omnibus savings account held in trust by the Board at Sallie Mae Bank. Except for the Savings Portfolio, investments in IDEal are not insured by the FDIC. Units of the Portfolios are municipal securities and the value of units will vary with market conditions.

Investment returns will vary depending upon the performance of the Portfolios you choose. Except to the extent of FDIC insurance available for the Savings Portfolio, you could lose all or a portion of your money by investing in IDEal, depending on market conditions. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.

Not FDIC-Insured (except for the Savings Portfolio). No Bank, State or Federal Guarantee. May Lose Value.