

House Bill 962

By: Representatives Martin of the 49th, Barrett of the 24th, Jones of the 47th, Williamson of the 112th, Blackmon of the 146th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 20-3-634 of the Official Code of Georgia Annotated, relating to
2 savings trust accounts, availability, and terms and provisions relative to the Georgia Higher
3 Education Savings Plan, so as to provide that the Board of Directors of the Georgia Higher
4 Education Savings Plan shall determine the maximum contribution limit for savings trust
5 accounts; to amend Code Section 48-7-27, relating to computation of taxable net income, so
6 as to modify an exemption from taxable net income for contributions to certain education
7 savings plans; to provide for an effective date and applicability; to provide for related
8 matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Code Section 20-3-634 of the Official Code of Georgia Annotated, relating to savings trust
12 accounts, availability, and terms and provisions relative to the Georgia Higher Education
13 Savings Plan, is amended by revising paragraph (1) of subsection (b) as follows:

14 "(1) The maximum and minimum contribution allowed on behalf of each beneficiary for
15 the payment of qualified higher education expenses at eligible institutions as defined in
16 Section 529 of the Internal Revenue Code of 1986 or other applicable federal law;

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17 provided, however, that no additional contributions may be made to a savings trust
18 account when the total account balance for all accounts for the beneficiary equals or
19 exceeds ~~\$235,000.00~~ a reasonable maximum amount as determined by the board based
20 on current and anticipated education expenses;"

21 **SECTION 2.**

22 Code Section 48-7-27 of the Official Code of Georgia Annotated, relating to computation of
23 taxable net income, is amended by revising paragraph (11.1) of subsection (a) as follows:

24 "(11.1) For taxable years beginning on or after January 1, ~~2020~~ 2026:

25 (A) An amount equal to the amount of contributions to a ~~savings trust account~~
26 ~~established pursuant to Article 11 of Chapter 3 of Title 20~~ qualified tuition program
27 established and maintained by a state or agency or instrumentality thereof which is
28 exempt from taxation pursuant to Section 529 of the Internal Revenue Code of 1986 on
29 behalf of the designated beneficiary, but not exceeding \$4,000.00 per beneficiary;

30 (B) If the contributor files a separate return or single return, the sum of contributions
31 constituting deductions on the contributor's return under this paragraph shall not exceed
32 \$4,000.00 per beneficiary;

33 (C) If the contributor files a joint return, the sum of contributions constituting
34 deductions on the contributor's return under this paragraph shall not exceed \$8,000.00
35 per beneficiary; and

36 (D) For purposes of this paragraph, contributions or payments for any such taxable
37 year may be made during or after such taxable year but on or before the deadline for
38 making contributions to an individual retirement account under federal law for such
39 taxable year;"

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SECTION 3.

41 (a) This Act shall become effective upon its approval by the Governor or upon its
42 becoming law without such approval.

43 (b) Section 2 of this Act shall be applicable to all tax years beginning on or after January 1,
44 2026.

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SECTION 4.

46 All laws and parts of laws in conflict with this Act are repealed.