

FISCAL NOTE

August 29, 2018

Bill No:	HB 1385	Printer's No:	071	Sponsor:	Heffley (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund	\$11.9 million	\$12.7 million

SUMMARY: This bill would amend the Tax Reform Code to limit deductible contributions to qualified tuition programs to the PA Tax Advantage Plan (TAP) 529 program. Any contributions to out-of-state 529 programs would no longer be deductible.

ANALYSIS: Under current law, taxpayers can deduct contributions into any qualified tuition program, in-state or out-of-state, from the personal income tax return. House Bill 1385 would limit the scope of deductible contributions to only include contributions to the PA TAP program.

FISCAL IMPACT: Limiting contribution deductions to the PA TAP program would generate savings to the general fund as listed in the table below:

Year	Savings (millions)
2018-2019	\$11.9
2019-2020	\$12.7
2020-2021	\$13.4
2021-2022	\$14.3
2022-2023	\$15.2