

Senate File 2301 - Introduced

SENATE FILE 2301

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2100)

A BILL FOR

1 An Act relating to the Iowa educational savings plan trust and
2 including effective date provisions.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 12D.1, subsection 2, paragraphs e and g,
2 Code 2016, are amended by striking the paragraphs and inserting
3 in lieu thereof the following:

4 e. "Higher education costs" means the same as "qualified
5 higher education expenses" as defined in section 529(e)(3) of
6 the Internal Revenue Code.

7 g. "Internal Revenue Code" means the same as defined in
8 section 12I.1.

9 Sec. 2. Section 12D.1, subsection 2, paragraph i, Code 2016,
10 is amended to read as follows:

11 i. "Participant" means an individual, individual's legal
12 representative, trust, ~~or~~ estate, or an organization described
13 in section 501(c)(3) of the Internal Revenue Code and exempt
14 from taxation under section 501(a) of the Internal Revenue
15 Code, that has entered into a participation agreement under
16 this chapter for the advance payment of higher education costs
17 on behalf of a beneficiary.

18 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
19 immediate importance, takes effect upon enactment.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill relates to the Iowa educational savings plan
24 trust, also known as the Iowa college savings 529 plan.
25 The bill adds tax-exempt, Internal Revenue Code §501(c)(3)
26 nonprofit organizations as entities eligible to participate in
27 the Iowa college savings 529 plan. These organizations will
28 now be eligible to open accounts for individual beneficiaries
29 and make contributions for the future payment of higher
30 education costs on behalf of those beneficiaries. The bill
31 also amends the definition of "higher education costs" and
32 "Internal Revenue Code" under the Iowa college savings 529
33 plan.

34 The bill takes effect upon enactment.