

TO: MEMBERS OF THE FINANCE REVENUE & BONDING COMMITTEE

FROM: CATHOLIC SCHOOL PARENTS – CT CATHOLIC PUBLIC AFFAIRS  
CONFERENCE

Lori Stewart – Hartford  
Anne LaMonica – Manchester  
Bob Shea – West Hartford

DATE: February 8, 2019

RE: Please **Oppose** Proposed Bill 5255 -- THE TAX DEDUCTION FOR CERTAIN  
SECTION 529 QUALIFIED STATE TUITION PROGRAM DISTRIBUTIONS

Last year, the United States Congress amended federal tax law under IRS Code §529(b)(7) to extend the tax benefits of the education savings program to all elementary and secondary schools – including public, private and religious schools.

The Connecticut program -- known as CHET – tracks the Federal 529 program under Connecticut General Statutes §3-22f et seq.

So now, the law will allow all Connecticut families – including families paying tuition at Catholic elementary and secondary schools as well as colleges – to obtain the federal and state tax benefits of the CHET program.

Our Catholic school students, along with the members of our parishes, all work very hard to perform charitable works of mercy in our communities – providing thousands of hours of volunteer work at homeless shelters, soup kitchens, nursing homes and hospitals – and we donate hundreds of thousands of dollars to other charities.

Proposed Bill 5255 would take away the state benefits, thereby no longer having the Connecticut CHET program tracking the Federal program.

The new federal tax changes – which are tracked by current Connecticut CHET law -- benefit middle and lower income families, for whom it can be difficult to pay local property taxes and at the same time pay for nonpublic school tuition for their children. Higher income families can benefit from CHET regardless of the new federal changes, and will likely choose to retain their funds through college in order to maintain long term investment benefits. Removing the state tax benefit for k-12 tuition as is proposed in Proposed Bill 5255 will ensure CHET 529 plans will negatively impact lower and middle income families – not the higher income families.

We respectfully oppose Proposed Bill 5255 proposed in your committee. The text of the bill is below.

Thank you.

General Assembly

*Proposed Bill No. 5255*

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*January Session, 2019*

LCO No. 751

\*00751\*

Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

REP. LEMAR, 96th Dist.

***AN ACT CONCERNING THE TAX DEDUCTION FOR CERTAIN SECTION 529  
QUALIFIED STATE TUITION PROGRAM DISTRIBUTIONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

That section 12-701 of the general statutes be amended to specify that distributions from a Section 529 qualified state tuition program for elementary or secondary private school tuition are not eligible for the personal income tax deduction.

***Statement of Purpose:***

To specify that distributions from a Section 529 qualified state tuition program for elementary or secondary private school tuition are not eligible for the personal income tax deduction.