

States with Employer Benefits

Arkansas

- \$500 contribution deduction per employee – Ark Code § 6-84-111
 - Must be in Arkansas plan
- Deduction as an employee fringe benefit
- Amended definitions of 529 plans to conform to federal law post-TCJA

Colorado (CRS § 39-22-539)

- Temporary income tax credit for employers for years 2019-2021
 - Automatic repeal Dec. 31, 2024
- Employers receive credit for 20% of contribution to qualified state tuition program accounts
 - Credit cannot exceed \$500, so any contribution above \$2,500 has no tax benefit

Illinois (ILCS 5/218)

- 25% of contribution that matches an employee contribution, maximum of \$2,000
 - Tax credit up to \$500 per employee
- Effective 2010—2020
- Unused credits carried forward 5 years
- Coupled with eligible Federal 529 plan expenses

Indiana

- Individuals already receive a tax credit
- Proposed legislation to create employer contribution tax credit did not pass in 2018

Nevada

- For employers that make matching contribution to employees participating in Nevada 529 plan
- 25% tax credit on matched contributions up to \$500 per employee per year
- 5 year carry forward on unused credits
 - Credits from earliest year applied first

Utah (UT Rev. Stat. § 59-7-106(r))

- Corporations can deduct up to \$2,000 for contributions

Vermont

- 10% tax credit of the first \$2,500 (or \$5,00 if married filing jointly) contributed per beneficiary to Vermont higher education investment plan → For individuals only
 - Main thought here is an employer bonus program for EEs using 529 plan
- Nonrefundable credit

Wisconsin

- 25% corporate tax credit up to maximum deductible amount for individuals (\$1,600)
- Credit is for “employees.” Basically, resident individual performing services for any employer or a non-resident individual that performs services in WI (includes officers of a corporation)
 - Nonresidents and part year residents do not receive full 25% credit – Fraction ($\$1,600 * (\text{Wages in WI} / \text{Total Wages}) * 25\%$)
- Credit offsets WI adjusted gross income; Must be a plan created under WI law