

**SB20-073 (SCR 352) Senator Nancy Todd Chair**

**No 529 Account Income Tax Deduction for K-12 Expenses**

Madame chair. Thank you for your time today. My name is Cindy Barnard. I reside in Englewood, Colorado. I represent Taxpayers for Public Education. We are a Colorado-based, non-partisan, 501c4 organization representing students, parents and community members throughout Colorado with followers across the country. I am here today speaking in favor of SB 20-073, No 529 Account Income Tax Deduction For K-12 Expenses.

529 college savings accounts were established to help families by incentivizing long term savings for college as the investments grow tax free. Allowing 529 accounts to be used for K-12 private schools as HB 20-1034 suggests, ignores this benefit. The expansion of the 529 college Savings Account creates a tax shelter for households looking to defer paying income taxes or quick cash-in for a tax break allowing an almost immediate withdraw of funds to pay private school tuition. As with a voucher, as with tax credits, public funds would be redirected toward private schools.

The passage of this bill is important because the expansion of 529 College Savings Plans would not come without a cost. The foregone revenue would further reduce funding to our already underfunded public schools. For example, in 2018, the American Enterprise Institute, forecast that Indiana could lose \$117 million in annual revenues due to the K-12 expansion of the State's 529 plan. Our children cannot afford this. We have an entire generation of kids whose education has been severely under funded for their entire K-12 public school career.

I want to thank Senators Pettersen and Story and Representatives Buentello and Cutter for sponsoring this bill and show our support for SB 20-073. This bill insures that the intent of 529 college savings accounts is intact. That public funds will not be redirected to private schools. And that our schools will not face reduction in funding due to the change in federal tax law.

Thank you for supporting public education and I urge you to vote yes on SB 20-073

Cindy Barnard

Taxpayers For Public Education