



# Committee On Finance

Max Baucus, Ranking Member

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## NEWS RELEASE

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### **Baucus Bill Encourages Families to Save for Higher Education**

*Legislation Will Make Certain Tax Benefits Permanent for Education Savings Plans*

(WASHINGTON, D.C.) Today, Senator U.S. Senator Max Baucus joined Senator Grassley to introduce legislation that will make certain tax benefits permanent for individuals saving for college. Section 529 plans, also known as qualified state tuition plans, provides tax incentives for Americans to save for higher education.

“Higher education is critical to young people’s future and our nation’s economy,” Baucus said. “The Section 529 college savings plan is an easy and safe way for families to save for college.”

As part of the Economic Growth and Tax Reconciliation Act (EGTRRA), Senator Grassley and Baucus worked to expand the 529 plans to provide tax deductions and exemptions to those saving for college. These tax benefits were set to expire on December 31, 2010, but today’s legislation makes them permanent.

“The cost of tuition is rising every year,” Baucus said. “Over the past ten years, expenses at public universities have increased nearly 40 percent. We need to give families the tools they need to save up for this huge expense. Making these tax benefits permanent, families can plan and finance their children’s college education.

All 50 states and the District of Columbia provide 529 plans. The savings plans are administered through state plans or through institutions of higher education. Families of all income levels can participate in the plan.

Currently, over 7 million young people are enrolled in these with over \$67 billion invested for college. Baucus noted that Montana has over \$128.5 million set aside for college through the 529 plans.

“Millions of young people have benefited and are benefiting from these college savings plans,” Baucus said. “I encourage my colleagues to make 529 tax benefits permanent so we can continue to provide millions of American families an easy and economic way to save for college.”

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