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**SENATE COMMITTEE MOVES FORWARD LEGISLATION
THAT WOULD HELP MISSOURI'S PARENTS SAVE FOR COLLEGE**

JEFFERSON CITY -- To remain competitive in today's global economy Missouri needs an educated workforce with skills and knowledge that make them unique in comparison to workers in other states. A college education is becoming increasingly important, therefore a Senate committee has passed out legislation that will make it easier for Missouri parents to save for their children's college education.

Currently, the State of Missouri offers taxpayers an option for tax deductible education savings with the MOST program, which is designed to encourage families to invest in their children's education. However, with only one investment option, the majority of Missourians do not benefit from the program.

Sponsored by Sen. Anita Yeckel, R-Sunset Hills, Senate Bill 933 would create the Missouri Higher Education Deposit Program which would open up an income tax deduction for annual contributions of up to \$8,000 per taxpayer made to qualified savings programs and any similar 529 Plan authorized by Missouri or any other state. Currently the income tax deduction is only available for contributions made to Missouri's MOST Program.

"This bill is all about choice," said Yeckel. "I believe that Missouri citizens, not the government, should decide how to spend their money and how to save it. We believe that Missouri citizens should be able to handle college savings with their local bankers and investment advisors who they trust."

The Missouri Higher Education Deposit Program would be a nonexclusive alternative to the MOST Program and participants could elect to participate in both.

“This is in no way meant to compete with the existing program,” Yeckel said. “Instead we want to offer parents more alternatives for saving for their children’s education.”

The College Board reports that the gap in earnings between those with a high school diploma and those with a bachelor degree or higher exceeds \$1 million over the course of a lifetime.

“Offering a tax deduction provides an additional incentive for parents to save for their children's college tuition,” said Jon Dalton, with the Securities Industry Association (SIA). “Sen. Yeckel's legislation is consistent with the SIA's national initiative to advance legislation creating equal state tax treatment of investments in Section 529 Plans. The policy behind Missouri's tax deduction is simply to encourage savings for college, not to direct investments into a particular company or fund.”

For the 2003 to 2004 academic year, the average total cost of attending an in-state public college or university increased 9.8 percent to \$10,636. The average total cost of attending a four-year private college or university increased by 5 percent to \$26,854.

“We think it would be good for the families who are trying to save for college to have more options,” said Craig Overfelt, Missouri Banker’s Association. “To be able to get the opportunity to get a tax deduction for other state plans will allow Missouri parents to have more investment choices. It’s just an expansion of opportunities to save.”

With a total of 75,000 participants in five years, the MOST program is reaching only a small portion of eligible Missouri families.

“To truly promote savings for post-secondary education, Missouri must not deny choice to their constituents,” said Chuck Toth, chairman of the College Savings Foundation. “We are pleased that the Missouri legislature is taking action to promote choice.”

Having been passed by the Financial and Governmental Organization, Veterans' Affairs and Elections Committee, the bill has been placed on the Senate calendar for debate.