

STATE OF NEW YORK

7783

IN SENATE

February 23, 2018

Introduced by Sens. GOLDEN, O'MARA -- read twice and ordered printed,
and when printed to be committed to the Committee on Higher Education

AN ACT to amend the education law and the tax law, in relation to
expanding the New York state college choice tuition savings program to
include costs of elementary and secondary education

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. The article heading of article 14-A of the education law,
2 as added by chapter 546 of the laws of 1997, is amended to read as
3 follows:

4 ARTICLE 14-A
5 NEW YORK STATE
6 [~~COLLEGE~~] EDUCATION CHOICE TUITION SAVINGS PROGRAM

7 § 2. Section 695 of the education law, as added by chapter 546 of the
8 laws of 1997, is amended to read as follows:

9 § 695. Program established. There is hereby established the [~~college~~]
10 education choice tuition savings program and such program shall be known
11 and may be cited as the "New York state [~~college~~] education choice
12 tuition savings program".

13 § 3. Subdivision 5 of section 695-b of the education law, as amended
14 by chapter 535 of the laws of 2000, is amended to read as follows:

15 5. "Eligible educational institution" shall mean any institution of
16 higher education defined as an eligible educational institution in
17 section 529(e)(5) of the Internal Revenue Code of 1986, as amended, and
18 any elementary or secondary school for which tuition expenses are
19 included within the definition of the term qualified higher education
20 expenses in section 529(e)(3) of the Internal Revenue Code of 1986, as
21 amended.

22 § 4. Subdivision 10 of section 695-e of the education law, as amended
23 by chapter 593 of the laws of 2003, is amended to read as follows:

24 10. The comptroller shall promulgate rules or regulations to prevent
25 contributions on behalf of a designated beneficiary in excess of an

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[~~-~~] is old law to be omitted.

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1 amount that would cause the aggregate account balance for all accounts
2 for a designated beneficiary to exceed a maximum account balance, as
3 established from time to time by the comptroller and the corporation on
4 the basis of nonpublic elementary and secondary tuition costs and the
5 higher education costs in the state, with adequate safeguards to prevent
6 more contributions than necessary to provide for the qualified higher
7 education costs of the beneficiary, as required to maintain the program
8 as a "qualified tuition program" under section 529 of the Internal
9 Revenue Code of 1986, as amended.

10 § 5. Section 695-e of the education law is amended by adding a new
11 subdivision 17 to read as follows:

12 17. Nothing in this article or in any tuition savings agreement
13 entered into pursuant to this article shall be construed as a guarantee
14 by the state or any elementary or secondary school that a beneficiary
15 will be admitted to any elementary or secondary school, or, upon admis-
16 sion to an elementary or secondary school will be permitted to continue
17 to attend such elementary or secondary school.

18 § 6. Paragraphs 32 and 33 of subsection (c) of section 612 of the tax
19 law, paragraph 32 as amended by chapter 81 of the laws of 2008, para-
20 graph 33 as added by chapter 546 of the laws of 1997, are amended to
21 read as follows:

22 (32) Contributions made during the taxable year by an account owner to
23 one or more family tuition accounts established under the New York state
24 [~~college~~ education] choice tuition savings program provided for under
25 article fourteen-A of the education law, to the extent not deductible or
26 eligible for credit for federal income tax purposes, provided, however,
27 the exclusion provided for in this paragraph shall not exceed five thou-
28 sand dollars for an individual or head of household, and for married
29 couples who file joint tax returns, shall not exceed ten thousand
30 dollars; provided, further, that such exclusion shall be available only
31 to the account owner and not to any other person.

32 (33) Distributions from a family tuition account established under the
33 New York state [~~college~~ education] choice tuition savings program
34 provided for under article fourteen-A of the education law, to the
35 extent includible in gross income for federal income tax purposes.

36 § 7. This act shall take effect immediately and shall apply to
37 contributions and distributions made on and after January 1, 2018.