



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

House: WM DP 6-4-0-0

SB 1135: taxes; 529 contributions; ABLE contributions

Sponsor: Senator Livingston, LD 22

Caucus & COW

Overview

Changes the maximum Arizona adjusted gross income subtraction — for college savings plan contributions authorized by section 529 of the Internal Revenue Code (IRC) — to be calculated by contributions made on behalf of each beneficiary. Allows Achieving a Better Life Experience (ABLE) account contributions authorized by section 529A of the IRC made on behalf of a designated beneficiary to be subtracted from an individual's Arizona adjusted gross income.

History

Current law authorizes various amounts to be added or subtracted when computing an individual's Arizona adjusted gross income. Statute includes a subtraction for the amount contributed to a college savings plan authorized by section 529 of the IRC (529 Plan) during the taxable year — to the extent that the contributions were not deducted in the computation of a taxpayer's federal adjusted gross income. The amount subtracted may not exceed \$2,000 for a single individual or a head of household or \$4,000 for a married couple filing jointly. ([A.R.S. § 43-1022](#))

Provisions

1. Adjusts the maximum amount of 529 Plan contributions — made on behalf of a designated beneficiary — that may be subtracted from an individual's Arizona adjusted gross income to the following amounts:
 - a. \$2,000 per beneficiary, instead of only \$2,000, for a single individual or a head of household; or
 - b. \$4,000 per beneficiary, instead of only \$4,000, for a married couple filing a joint return. (Sec. 1)
2. Allows, for taxable years beginning on January 1, 2021, ABLE contributions made on behalf of a designated beneficiary to be subtracted from an individual's Arizona adjusted gross income in the following amounts:
 - a. \$2,000 per beneficiary for a single individual or a head of household; or
 - b. \$4,000 per beneficiary for a married couple filing a joint return. (Sec. 1)
3. Prohibits, in the case of a husband and wife who file separate, the total ABLE contribution subtractions from exceeding \$4,000 per beneficiary. (Sec. 1)
4. Contains a retroactivity clause of January 1, 2021.

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) [Fiscal Note](#)