



Governor's Advisory Council for Exceptional Citizens (GACEC)
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MEMORANDUM

DATE: January 27, 2020

TO: The Honorable Members of the Delaware General Assembly

FROM: Ann C. Fisher, Chairperson
GACEC

RE: House Bill No. 259 (College Savings and "ABLE" Savings Accounts)

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed **House Bill No. 259**, which will allow residents of Delaware to have two new deductions from personal income tax. The first is a deduction of up to \$2,500 from taxable income for contributions to a "529" College Savings Plan. The second is a deduction from taxable income up to \$5,000 for contributions to a qualified ABL program, also known as a "529A" Savings Account. House Bill No. 259, allows a Delaware resident taxpayer to be eligible for the deductions regardless of whether the contribution was to a 529 or 529A plan sponsored by the State or another state or institution, as long as the plans meet the federal criterion. Council **supports** the proposed bill because it would provide more incentive to Delaware taxpayers to create ABL accounts, which would be beneficial to Delawareans with disabilities.

An ABL account will, with private savings, "secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, Medicaid, SSI, the beneficiary's employment and other sources."

Thank you for your time and consideration of our endorsement. Please feel free to contact me or Wendy Strauss at the GACEC office should you have any questions.