

§11479. Tax exemption

The assets of the program fund, all program earnings and any income from operations are exempt from all taxation by the State or any of its political subdivisions. A deposit to any account, transfer of that account to a successor participant, designation of a successor beneficiary of that account, credit of program earnings to that account or qualified distribution from that account used for the purpose of paying higher education expenses pursuant to this chapter, as long as that distribution does not exceed the limits established in Section 529 of the federal Internal Revenue Code of 1986, as amended, or rollover distributions permitted under Section 529 of the federal Internal Revenue Code of 1986, as amended, does not subject that participant, the estate of that participant or any beneficiary to any state income or estate tax liability. In the event of cancellation or termination of a participation agreement and distribution of funds to a participant, the increase in value over the amount deposited in the program fund by that participant may be taxable to that participant in the year distributed. [PL 2021, c. 17, §7 (AMD).]

SECTION HISTORY

PL 1997, c. 732, §4 (NEW). PL 2017, c. 474, Pt. F, §6 (AMD). PL 2021, c. 17, §7 (AMD).

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