



Testimony of Denise L. Nappier
Treasurer of the State of Connecticut
SUBMITTED TO THE BANKS COMMITTEE
FEBRUARY 28, 2008

Senator Duff, Representative Barry, and members of the Banks Committee, thank you for the opportunity to offer testimony regarding Raised Bill No. 218, *An Act Providing an Income Tax Deduction for Contributions to Any Qualified 529 Plan*.

Allow me at the outset to commend this Committee and members of the General Assembly for considering legislation to encourage college savings. This General Assembly has already made a noteworthy effort to promote college savings by Connecticut families when in 2006 it enacted a tax deduction for contributions to the Connecticut Higher Education Trust ("CHET"). CHET account owners can now deduct from Connecticut adjusted gross income up to \$5,000 in contributions by individual filers, and \$10,000 in contributions by joint filers.

For the 2006 tax year – the first year the deduction was available – more than 13,000 returns claimed the deduction, and more than \$68.5 million in contributions were made to CHET accounts. The deductions resulted in a revenue loss of approximately \$3.4 million – which represents a solid commitment to Connecticut's hardworking families seeking a better future for their children, and a solid investment in the promise of our children.

Please feel free to call on me should you have any questions or require additional information.