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**COLLEGE SAVINGS FOUNDATION APPLAUDS MISSOURI BILL  
EQUALIZING TAX TREATMENT FOR ALL 529 COLLEGE SAVINGS  
PROGRAMS**

*529 tax parity legislation unanimously passed Senate and gained Governor's signature*

WASHINGTON, DC, July 14, 2008 – College Savings Foundation, the leading nonprofit whose mission is to help American families achieve their education savings goals, today applauded Missouri Governor Matt Blunt and the Missouri legislature for ushering into law a bill providing state tax deductions for investments in either in-state or out-of-state 529 college savings programs.

“At a time when American families are simultaneously facing escalating college costs and a college credit crisis, this legislation is making it easier for Missouri families to pursue the soundest financing strategy of all - saving,” said Kevin McMullen, Chairman of the College Savings Foundation.

The legislation eliminates confusion for families who have had to navigate tax treatment differences in considering 529 college savings plans for their children. “By providing the same state tax deductions for all 529 college savings plans across the nation, this bill clarifies investment options for Missouri families so that they can select the right plan for their individual needs,” added Stephen R. Jobe, Chair of the CSF Government Affairs Committee.

Many states give up-front state tax deductions or credits to residents who enroll in their own state-sponsored 529 plan. Now, Missouri joins Arizona, Kansas, Maine and Pennsylvania in giving a tax benefit to residents investing in either in-state or out-of-state 529 college savings plans.

Missouri families can now receive an annual adjusted gross income deduction of up to \$8,000 (\$16,000 if married, filing jointly) for contributions made to any 529 college savings plan in the nation. Senate Bill 863 was signed into law Thursday, July 10, 2008 by Governor Blunt (R).

To address the college financing landscape that may leave students scrambling for funds this summer, the College Savings Foundation convened a Summit in May with

Department of Education Assistant Secretary Diane Auer Jones and decision makers in finance, the government and academia. “Perspectives on College Access, Savings and Debt” in Washington, DC addressed the perfect storm created by reduced Federal loan subsidies for private lenders, the sub prime mortgage meltdown and skyrocketing college costs.

The average annual tuition costs of attending a 4-year public and a 4-year private college or university in 2007-2008 have increased 5.9% from a year earlier. Including room, board and expenses, the total costs are now \$13,589 per year for a 4-year public college and \$32,307 for a 4-year private college, according to The College Board. Assuming such costs increase by 5% a year, the projected cost of college in 15 years will be more than \$100,000 for a 4-year public college and more than \$200,000 for a 4-year private college.

Section 529 college savings plans, which are offered on a state-by-state basis, give federal income tax-free treatment to earnings and on distributions made from plan accounts when used for qualified higher education expenses. While individual states create their own 529 plans, federal law does not require a state resident to invest in the in-state plan; instead, it provides a platform on which a nationwide network of state-sponsored 529 plans can compete, providing families with various options from which to choose to save for the cost of college education.

The College Savings Foundation (CSF) is a Washington, D.C.-based not-for-profit organization with the mission of helping American families achieve their education savings goals, by working with public policy makers, media representatives and financial services industry executives in support of education savings programs. For more information on CSF and its mission, please access [www.collegesavingsfoundation.org](http://www.collegesavingsfoundation.org)