



CollegeSavings  
FOUNDATION

January 26, 2006

Representative Kenny Wilk  
Chairperson  
Taxation Committee  
Room 519-S  
300 SW 10<sup>th</sup> Street  
Topeka, KS 66612

Re: Support of House Bill 2573

Dear Representative Wilk:

On behalf of the College Savings Foundation (“CSF”), a 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, I wish to extend CSF's support for HB 2573, which would provide a state income tax deduction for contributions from Kansas residents to any 529 college savings plan.

As you know, 529 plans are considered an attractive way for families to save for college. A major benefit of these plans to Kansas residents is that residents can make after-tax contributions to 529 plans, have earnings grow tax free, and take tax-favored withdrawals for qualified higher education expenses.

We applaud your interest in encouraging savings for college. The attractive federal tax characteristics of 529 plans combined with the state tax deduction provided by HB 2573 will result in broader use of 529 plans and an overall increase in education savings. This increased savings will lead to more Kansas residents being able to afford college, which will in turn produce a more highly educated and skilled constituency. The College Board in its 2004 report “Education Pays: The Benefits of Higher Education for Individuals and Society” and its supplement documented many of the individual and societal benefits generated by higher education.

According to the report, college graduates will earn an average of about \$1 million more than their counterparts with a high school diploma over the course of their careers. With a better-educated and more affluent constituency, Kansas will realize higher income tax revenues and will attract more companies requiring skilled employees.

Please feel free to contact me through our national office in Washington, DC at (202) 223-2631, if you need additional information.

Sincerely,

A handwritten signature in black ink that reads "Kevin McMullen". The signature is written in a cursive style with a large, stylized initial "K".

Kevin McMullen  
Chair, Government Affairs Committee

cc: Legislative Educational Planning Committee