



#### K-12 Tuition Allowed

Arkansas  
 Delaware  
 Georgia  
 Idaho  
 Indiana  
 Iowa  
 Kansas  
 Kentucky  
 Louisiana  
 Maine  
 Maryland  
 Massachusetts  
 Mississippi  
 Missouri  
 New Jersey  
 North Carolina  
 North Dakota  
 Ohio  
 Oklahoma  
 Pennsylvania  
 Rhode Island  
 South Carolina  
 Utah  
 Virginia  
 Washington, D.C.  
 West Virginia  
 Wisconsin

#### No State Income Tax

Alaska  
 Florida  
 Nevada  
 New Hampshire  
 South Dakota  
 Tennessee  
 Texas  
 Washington  
 Wyoming

#### Policy Change Needed

Arizona  
 California  
 Colorado  
 Illinois  
 Minnesota  
 Montana  
 Nebraska  
 New Mexico  
 New York  
 Oregon  
 Vermont

#### Not Yet Determined

Alabama  
 Hawaii  
 Michigan

*As of February 2019, residents in 36 states and D.C. can use 529 savings plans for K-12 tuition free of state taxes.*

In **27 states plus Washington, D.C.**, K-12 tuition is considered a qualified expense. In these states, legislative changes are not needed or the state has already conformed its code to the new federal code. In these states, families can use 529s for K-12 tuition free of state taxes.

There are **nine states** without an individual income tax. Since 529 savings plans are designed to create income tax savings, there are no state tax implications in these states.

In **11 states**, policy changes are needed before 529 savings plans can be used for K-12 tuition free of state taxes.

**Three states** have yet to determine what effect the federal changes will have in their respective states. In these states, a change in policy may be needed before 529s can be used for K-12 tuition free of state taxes.

### WHAT SHOULD PARENTS DO IF THEY WANT TO USE A 529 SAVINGS PLAN FOR K-12 TUITION?

Parents should talk with tax professionals in their respective states to learn whether they can use 529 savings plans for K-12 tuition tax-free at the state level. Parents should proceed with caution when using their 529 plans for K-12 tuition, and they should consult with local experts who can provide state-specific advice.

#### Questions parents might want to ask –

- What are the specific benefits and limitations of a 529 plan in my state?
- Should I wait until my state clarifies its 529 rules before using 529 savings for K-12 tuition?
- What impact does 529 have on college or K-12 financial aid?
- What is the interplay between 529 contributions and gift tax limits?

\* Parents of beneficiaries are typically the ones who contribute to a beneficiary's 529 account, but an account holder can actually be anyone, including grandparents. Per [IRS guidance](#), anyone can set up a 529 and name anyone as a beneficiary – a relative, a friend, even themselves.