

AMENDED IN ASSEMBLY FEBRUARY 15, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 3**

**Introduced by Assembly Member Blakeslee**

December 6, 2004

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An act to add Section 17208 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 3, as amended, Blakeslee. Income tax: deduction: education savings.

The Personal Income Tax Law authorizes various deductions in computing income that is subject to taxes imposed by that law.

This bill would allow a deduction for contributions, not exceeding specified amounts, made by a taxpayer to a qualified tuition program, as defined, ~~and to a Coverdell education savings account, as defined.~~

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17208 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17208. (a) There shall be allowed as a deduction an amount
- 4 equal to the contributions made during the taxable year by the
- 5 taxpayer to a qualified tuition program, as defined by Section 529
- 6 of the Internal Revenue Code, ~~and to a Coverdell education~~
- 7 ~~savings account, as defined by Section 530 of the Internal~~
- 8 ~~Revenue Code.~~

1 (b) The deduction allowed by this section shall not exceed  
2 seven hundred fifty dollars (\$750) per taxable year per each  
3 designated beneficiary of a qualified tuition program or  
4 Coverdell education savings trust.

5 SEC. 2. This act provides for a tax levy within the meaning of  
6 Article IV of the Constitution and shall go into immediate effect.