

## AMENDMENTS TO HOUSE BILL NO. 2202

Sponsor: REPRESENTATIVE MACKENZIE

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1 Amend Bill, page 1, line 12, by inserting after "programs"  
2 and for State tax exemption

3 Amend Bill, page 1, lines 15 through 18, by striking out all  
4 of said lines and inserting

5 Section 1. Sections 309.2 and 316 of the act of April 3,  
6 1992 (P.L.28, No.11), known as the Tuition Account Programs and  
7 College Savings Bond Act, amended or added June 22, 2000  
8 (P.L.418, No.58), are amended to read:

9 Amend Bill, page 3, by inserting between lines 11 and 12

10 Section 316. State tax exemption.

11 (a) Property of funds.--The property of each of the funds  
12 and their income and operation shall be exempt from all taxation  
13 by the Commonwealth and its political subdivisions.

14 (b) Contributions.--Contributions made pursuant to a Tuition  
15 Account Program Contract or a "qualified State tuition program"  
16 as defined by section 529 of the Internal Revenue Code of 1986  
17 (Public Law 99-514, 26 U.S.C. § 529); any increase in the value  
18 of those contributions, the retention, or transfer during life  
19 or as a result of death of any legal interest in a Tuition  
20 Account Program Contract or a "qualified State tuition program"  
21 as defined by section 529 of the Internal Revenue Code of 1986  
22 (Public Law 99-514, 26 U.S.C. § 529); and payment of qualified  
23 higher education expenses of beneficiaries made pursuant to  
24 Tuition Account Program Contracts or a "qualified State tuition  
25 program" as defined by section 529 of the Internal Revenue Code  
26 of 1986 (Public Law 99-514, 26 U.S.C. § 529) shall be exempt  
27 from all taxation by the Commonwealth and its political  
28 subdivisions.

29 Section 2. The amendment of section 316 of the act shall  
30 apply to the transfer of property by a decedent on or after the  
31 effective date of this section.

32 Amend Bill, page 3, line 12, by striking out "2" and  
33 inserting

