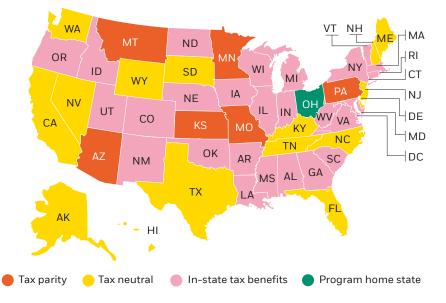
# Take advantage of your state tax benefits

# BlackRock

# April 2020

529 college savings plans allow you to invest and grow your assets free from federal and state taxes with tax-free withdrawals for qualified educational expenses. In addition, many states offer investors tax benefits for contributions, which makes your goal of paying for college even more achievable.<sup>1</sup>



# It pays to do your homework

Since you can invest in any state's 529 investment plan and many plans offer additional benefits, it's important to consider all of your options. To help choose the plan that's right for you, review plan features with your financial and tax advisors.<sup>2</sup>

### Already have a 529 account?

Existing 529 accounts from the following state plans can be rolled into the BlackRock CollegeAdvantage 529 Plan without forfeiting the tax deduction already taken: CT, DC, LA, MD, MI, MS, OK, OR, RI, SC, VT and WV.<sup>3</sup>

To learn more about the BlackRock CollegeAdvantage 529 Plan, speak with your Financial Advisor or visit blackrock.com/ collegeadvantage.

## Tax benefits by state

#### Ohio

Ohio residents may take advantage of additional state tax benefit with the BlackRock CollegeAdvantage 529 Plan (up to \$4,000 per contributor or married couple can be deducted per beneficiary /account with unlimited carry-forward).

#### Tax parity states

Arizona, Arkansas<sup>4</sup> Kansas, Minnesota, Missouri, Montana, Pennsylvania

These states offer a tax deduction for contributing to any 529 plan including out-of-state plans, which may be more attractive than the in-state option.

#### Tax neutral states

Alaska, California, Delaware, Florida, Hawaii, Kentucky, Maine, Nevada, New Hampshire, New Jersey, North Carolina, South Dakota, Tennessee, Texas, Washington, Wyoming

These states offer no state tax benefit for 529 plan contributions, which means there may be no added benefit to selecting an in-state plan.

#### All other states

These states offer potential tax breaks on contributions made only to in-state 529 plans. Please see reverse for details.

1 Alabama law does not exempt distributions from a non-Alabama 529 plan and not all states allow for tax exempt distributions for all expenses qualified under federal tax law. Earnings on non-qualified withdrawals may be subject to federal income tax and a 10% federal penalty, as well as state and local income taxes. 2 BlackRock does not provide tax, accounting or legal advice and clients are advised to consult qualified professionals for such needs. 3 Every state treats rollovers differently so consult the state tax laws of the contributor's taxpaying residence to see how it may apply to each situation. 4 Arkansas allows for a lesser deduction for contributions to an out-of-state plans than the AR plan.

#### 529 plan tax benefits by state, as of April 2020

State	Maximum annual state income tax benefit	Who qualifies	Carry forward <sup>1</sup>	State tax rate <sup>2</sup>	State tax savings <sup>3</sup>
Alabama	\$5,000, <sup>4</sup> \$10,000 <sup>5</sup>	Any contributor		5.00%	\$500
Arizona	\$2,000, <sup>4</sup> \$4,000 <sup>5</sup>	Any contributor		4.50%	\$180
Arkansas	\$5,000, <sup>4</sup> \$10,000 <sup>5</sup>	Any contributor	4 years	6.60%	\$660
Colorado	Full contribution amount, up to contributor's taxable income	Any contributor		8.95%	\$895
Connecticut	\$5,000, <sup>4</sup> \$10,000 <sup>5</sup> \$3,000,\$6000 <sup>12</sup>	Any contributor	6 years	6.99%	\$699
).C.	\$4,000, <sup>4</sup> \$8,000 <sup>5</sup>	Acct owner only	5 years	8.95%	\$716
Georgia <sup>16</sup>	\$4,000, <sup>4</sup> \$8,000 <sup>5</sup>	Any contributor, per beneficiary		5.75%	\$460
daho	\$6,000, <sup>4</sup> \$12,000 <sup>5</sup>	Any contributor		6.925%	\$693
llinois	\$10,000, <sup>4</sup> \$20,000 <sup>5</sup>	Any contributor		4.95%	\$495
ndiana	20% tax credit on contributions up to \$5,000; maximum credit is \$1,000 <sup>13</sup>	Any contributor	Credit	3.23%	\$1,0001
lowa <sup>16</sup>	\$3,439, <sup>4,6</sup> \$6,878 <sup>5,6</sup>	Acct owner only, per beneficiary		8.53%	\$587
Kansas	\$3,000,4\$6,0005	Any contributor, per beneficiary		5.70%	\$342
Louisiana	\$2,400,4\$4,800 <sup>5.7</sup>	Any contributor, per beneficiary	Unlimited	6.00%	\$288
Maryland	\$2,500, <sup>4</sup> \$5,000 <sup>5</sup>	Any contributor, per beneficiary	10 years	5.75%	\$288
Massachusetts	\$1,000 <sup>4</sup> /\$2,000 <sup>5</sup>	Any contributor		5.00%	\$100
Michigan <sup>®</sup>	\$5,000, <sup>4</sup> \$10,000 <sup>5</sup>	Any contributor		4.25%	\$425
Minnesota <sup>11</sup>	\$1,500, <sup>4</sup> \$3,000 <sup>5</sup>	Any contributor		9.85%	\$296
Mississippi <sup>16</sup>	\$10,000, <sup>4</sup> \$20,000 <sup>5</sup>	Any contributor		5.00%	\$500
Missouri	\$8,000, <sup>4</sup> \$16,000 <sup>5</sup>	Acct owner/spouse only		5.40%	\$540
Montana	\$3,000, <sup>4</sup> \$6,000 <sup>5</sup>	Acct owner/spouse or custodian/parent		6.90%	\$414
Nebraska	\$10,000, <sup>4,5</sup> per taxpayer	Acct owner or parents/guardians of UGMA/ UTMA accounts		6.94%	\$694
New Mexico	Full contribution amount	Any contributor		4.90%	\$490
New York	\$5,000, <sup>4</sup> \$10,000 <sup>5</sup>	Acct owner only		8.82%	\$882
North Dakota	\$5,000, <sup>4</sup> \$10,000 <sup>5</sup>	Any contributor		2.90%	\$290
Ohio	\$4,000 <sup>4,5</sup>	Any contributor, per beneficiary	Unlimited	4.79%	\$192
Oklahoma <sup>16</sup>	\$10,000, <sup>4</sup> \$20,000 <sup>5</sup>	Any contributor	5 years	5.00%	\$500
Oregon <sup>16</sup>	$300 \text{ tax credit for joint filers with AGI } 30,000_{14}$	Any contributor	4 years	9.90%	\$30015
Pennsylvania	\$15,000, <sup>4</sup> \$30,000 <sup>5</sup>	Any contributor, per beneficiary		3.07%	\$307
Rhode Island	\$500, <sup>4</sup> \$1,000 <sup>5</sup>	Acct owner only	Unlimited	5.99%	\$60
South Carolina $^1$	<sup>6</sup> Full contribution amount	Any contributor		7.00%	\$700
Utah	5% tax credit on contributions up to \$2,040, <sup>4,6</sup> \$4,080 <sup>5,6</sup> ; maximum credit is \$100, <sup>4,5,6</sup> \$200 <sup>5,6</sup>	Any contributor, per beneficiary <sup>10</sup>	Credit	4.95%	\$20015
Vermont	$10\%$ tax credit on contributions up to $2,500,^4$ $5,000^5;$ maximum credit is $250,^4$ $500^5$	Any contributor, per beneficiary	Credit	8.75%	\$500 <sup>15</sup>
Virginia	\$4,000 <sup>4,5</sup> ; fully deductible if age 70 or older	Acct owner only <sup>9</sup>	Unlimited	5.75%	\$575
West Virginia	Full contribution amount	Any contributor		6.50%	\$650
Wisconsin <sup>8,16</sup>	\$3,3401.4.5.6	Any contributor, per beneficiary <sup>9</sup>	Unlimited	7.65%	\$256

Source: BlackRock leveraging data from savingforcollege.com **1** Some states allow taxpayers who contribute above the maximum annual tax deduction to carry forward excess contributions to future state income tax returns. State tax savings reflect full deduction of \$10,000 over the carry forward period. **2** Assumes joint tax filers in the maximum state tax bracket for 2020 and maximum annual deduction allowed by state for up to \$10,000 in 529 plan contributions. **3** If you itemize, state tax savings must be claimed as income on the following year's federal tax return. **4** Filing individually. **5** Filing Jointly. **6** Adjusted annually for inflation. **7** Certain deductions may be claimed each year for an account opened for needy, non-related beneficiaries meeting eligibility requirements. **8** Contributions are reduced by qualified withdrawals during the year for purposes of determining the amount that may be deducted. **9** Contributions from non-account owners are deductible by the account owner. **10** Beneficiary must be younger than age 19 when designated on account to claim tax credit or deduction tax deduction that the Arkansas plan offers. **13** A 10% Indiana state income tax credit up to a maximum of \$500 is available for contributions to an account that will be used to pay for Indiana K-12 tuition. **14** Sliding income scale based on percentage of contributions are sought but these states do allow for contributions to be made to such plan on or before the tax filing deadline to claimed as deduction (or credit, as applicable) for the taxable year applicable to such filing.

The BlackRock CollegeAdvantage 529 Plan is offered to residents of all states. However, you should note that (i) depending on the laws of the state where you or your beneficiary live or pay state income taxes, favorable state tax treatment or other benefits offered by the applicable state for investing in qualified tuition programs may be available only for investments in such state's qualified tuition program, (ii) any state-based benefit offered with respect to a particular qualified tuition program should be one of many appropriately weighted factors to consider in making an investment decision and (iii) you should consult with your financial, tax or other advisers to learn more about how state tax and state-based benefits (such as financial aid, scholarship funds and protection from creditors that are only available for investments in such state's qualified tuition program) would apply to your specific circumstances and you may wish to contact your home state and your beneficiary's home state, or any other qualified tuition program, to learn more about the features, benefits and limitations of the applicable state's qualified tuition program.

BlackRock serves as the Investment Manager. Investing involves risk, including possible loss of principal. Account owners assume all investment risks as well as responsibility for any federal and state tax consequences. For more information about the BlackRock CollegeAdvantage 529 Plan, contact your financial advisor who can call 1-866-529-8582 or visit blackrock.com/collegeadvantage to obtain a Program Description and Participant Agreement, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing or sending money.

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