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College savings account owners can claim 2016 tax credits

UESP contribution deadline is December 30 by mail, December 31 online

(Salt Lake City) Utah taxpayers who save for higher education expenses with the Utah Educational Savings Plan (UESP) can qualify for a tax benefit in 2016.

If they meet certain year-end deadlines, Utahns filing individual returns and Utah trusts can claim a 5 percent Utah state income tax credit for 2016 on contributions up to \$1,900, for a maximum tax credit of \$95 *per qualified beneficiary*. Joint filers can claim a 5 percent tax credit on contributions up to \$3,800, for a maximum tax credit of \$190 *per qualified beneficiary*. Utah corporations can qualify for a \$1,900 state income tax deduction. A grantor trust whose grantor has joint filing status can also claim a 5 percent tax credit on contributions up to \$3,800 (a maximum tax credit of \$190) *per qualified beneficiary*.

2016 Utah State Income Tax Benefits			
Tax Filer	UESP Account Type	2016 Maximum Allowable Contribution for a Utah State Income Tax Credit	2016 Maximum Utah State Income Tax Credit per Beneficiary (5%)
Single	Individual	\$1,900	\$95
Joint	Individual	\$3,800	\$190
Grantor Trust, Married Filing Jointly	Institutional	\$3,800	\$190
All Other Trusts	Institutional	\$1,900	\$95
Corporation	Institutional	\$1,900	\$1,900*

*deduction

Any contribution, up to the allowed maximum, that a UESP account owner makes to an account for a person who was age 18 or younger when designated as the account beneficiary qualifies for the 5 percent Utah state income tax credit or deduction. For example, a Utah account owner who contributes \$100 to a UESP account in 2016 may claim a \$5 credit. A \$1,000 contribution qualifies for a \$50 credit. A couple filing jointly who contribute \$3,000 are eligible to claim a \$150 tax credit. Plus, if a friend or family member contributes to an account, the account owner can claim that contribution for the tax credit.

“Saving for college with a UESP 529 account offers Utah account owners an added benefit of a 5 percent tax credit for each qualified beneficiary,” said Lynne Ward, executive director of UESP. “Whether Utah families

have one child or several children, this annual tax break can help them as they work toward supporting their higher education goals.”

UESP 2016 Year-End Deadlines

To qualify for the 2016 Utah state income tax benefit, UESP account owners who pay Utah state income taxes must submit their contributions by mail, or deliver them by overnight carrier or in person to the UESP office before 5:00 p.m., Mountain Time (MT), Friday, December 30, 2016. The deadline for contributions made online at uesp.org is 11:59 p.m., MT, Saturday, December 31, 2016.

New UESP account owners who pay Utah state income taxes must submit their new Account Agreements and contributions by mail or deliver them by overnight carrier or in person to the UESP office before 5:00 p.m., MT, Friday, December 30, 2016. New Account Agreements also can be faxed to UESP, and must arrive before the 5:00 p.m. deadline on December 30, 2016. New accounts opened and contributions made online at uesp.org must be completed before 11:59 p.m., MT, Saturday, December 31, 2016.

Account Agreements and contributions may be sent to UESP in the following ways:

- **Mail.** UESP, PO Box 145100, Salt Lake City, UT 84114-5100
- **Deliver in person or by overnight carrier.** UESP, State Board of Regents Building, Gateway 2, 60 South 400 West, Salt Lake City, UT 84101-1284
- **Fax.** 800.214.2956 (Account Agreements only)
- **Online.** uesp.org

More Tax Benefits

In addition to the Utah state income tax credit, earnings on UESP accounts grow tax deferred. Withdrawals are free from federal and Utah state income taxes when used for qualified higher education expenses. Qualified expenses include tuition and fees; required books, supplies, and equipment; computers, related equipment, services, and internet access; and certain room-and-board costs at technical schools, colleges, and universities in the United States and abroad that participate in federal financial aid programs for students.

About UESP

UESP, Utah’s official nonprofit 529 college savings plan, is highly ranked by Morningstar Inc., *Kiplinger’s Personal Finance* magazine, *Money* magazine, CBS MoneyWatch.com, and consumer expert Clark Howard for its low fees and industry innovations, such as its customized allocation investment options.

Accounts are free to open, and UESP requires no minimum deposit or account balance. UESP’s user-friendly website, uesp.org, makes it easy to open, manage, and contribute to an account online.

To learn more about the Utah Educational Savings Plan, visit uesp.org, call UESP toll-free at 800.418.2551, or email info@uesp.org.

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Read the Program Description for more information and consider all investment objectives, risks, charges, and expenses before investing. Call 800.418.2551 for a copy of the Program Description or visit uesp.org.

Investments in UESP are not guaranteed by UESP, the Utah State Board of Regents, the Utah Higher Education Assistance Authority, or any other state or federal agency. However, Federal Deposit Insurance

Corporation (FDIC) insurance is provided for the FDIC-insured accounts. Please read the Program Description to learn about the FDIC-insured accounts. Your investment could lose value.

Non-Utah taxpayers and residents: You should determine whether the state in which you or your beneficiary pays taxes or lives offers a 529 plan that provides state tax or other benefits not otherwise available to you by investing in UESP. You should consider such state tax treatment and benefits, if any, before investing in UESP.

UESP does not provide legal, financial, investment, or tax advice, and the information provided in this document does not contain legal, financial, investment, or tax advice and cannot be construed as such or relied upon for those purposes. You should consult your own tax or legal advisor to determine the effect of federal and state tax laws on your particular situation.

A Morningstar Analyst Rating for a 529 College Savings Plan is not a credit or risk rating. Analyst Ratings are subjective in nature and should not be used as the sole basis for investment decisions. Morningstar does not represent its Analyst Ratings to be guarantees. Please visit Morningstar.com for more information about the Analyst Ratings, as well as other Morningstar ratings and fund rankings.