



**SCOTT MEACHAM
OKLAHOMA STATE TREASURER**

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**Treasurer Meacham Honors Congressman Cole for Work to
Make College Savings Tax Breaks Permanent**

OKLAHOMA CITY – State Treasurer Scott Meacham presented a proclamation to U.S. Representative Tom Cole on Thursday morning in the Blue Room of the State Capitol Building honoring the congressman’s work to make it easier for families to save for college education costs.

The proclamation from the Oklahoma College Savings Plan, National Association of State Treasurers and College Savings Plans Network recognizes Rep. Cole, R-Moore, for his work in making federal tax exemptions permanent for money placed into college savings plans, known as 529 Plans.

Earlier this month, President Bush signed into law legislation making the federal tax exemptions permanent. Cole was a key player in getting the tax exemption language passed in Congress. Without the new language, the exemptions would have expired at the end of 2010.

Treasurer Meacham said Cole’s work in securing passage of the law will help many Oklahoma families.

“More than 30,000 Oklahoma families are saving for their children’s college education by investing in the Oklahoma College Savings Plan,” Meacham said. “Uncertainty about the future federal tax treatment of their savings could have had a chilling effect on families’ willingness to open accounts and add to existing accounts, but that problem is now resolved thanks to Congressman Cole’s efforts.”

Under federal law, investment earnings on 529 Plan funds are free from federal income tax so long as they are used for qualified expenses. Also, the funds are not reportable as taxable income when they are withdrawn for use on qualified expenses.

“This is a step in the right direction in efforts to increase education opportunities for students in our state and across the nation. As a former educator, I know the importance of making sure our children learn the skills they need to succeed in life. America is the wealthiest country in the world, but the future of our economy is dependent on having a well-educated population. Giving parents creative options to save for their children’s future will surely help with the increasing costs associated with a higher education,” Cole said.

(more)

In addition to the federal tax treatment, the Oklahoma College Savings Plan is the only 529 Plan with an Oklahoma income tax deduction. Families can deduct up to \$20,000 per year from their Oklahoma taxable income for contributions made to Oklahoma College Savings Plan accounts.

“There has never been a better time to invest in a college savings plan account,” Meacham said. “This change in federal law sends a clear message that those who save for college will be rewarded.”

In addition to Cole, members of Oklahoma’s congressional delegation voting in support of the legislation were Representatives Dan Boren, Frank Lucas and John Sullivan, as well as Senator Jim Inhofe.

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