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Qualify for a 2015 Utah state tax credit while saving for higher education

Deadline for contributions to Utah Educational Savings Plan accounts is December 31

(Salt Lake City) Utah taxpayers can qualify for a tax break in 2015 by saving for qualified higher education expenses with the Utah Educational Savings Plan (UESP), Utah’s official nonprofit college savings plan.

If they meet the December 31, 2015, deadline to contribute to a new or existing UESP account, Utahns filing individual returns and Utah trusts may claim a 5 percent Utah state income tax credit for 2015 on contributions up to \$1,900 for a maximum tax credit of \$95 *per qualified beneficiary*. Joint filers may claim a 5 percent tax credit on contributions up to \$3,800 (a maximum tax credit of \$190) *per qualified beneficiary*. Utah corporations may qualify for a \$1,900 state income tax deduction. A grantor trust whose grantor has joint filing status also may claim a 5 percent tax credit on contributions up to \$3,800 (a maximum tax credit of \$190) *per qualified beneficiary*.

Any contribution, up to the allowed maximum, that a UESP account owner contributes 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 2015 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.

“The State of Utah values higher education. To support that value, legislators created tax benefits designed to promote saving for college,” said Lynne Ward, UESP’s Executive Director. “Contributing to a UESP 529 account gives Utah account owners a tax break in the short term and, at the same time, an investment in the long-term goal of a college degree, and all the financial benefits that entails.”

UESP 2015 Year-End Deadlines

To qualify for the 2015 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), Thursday, December 31, 2015. The deadline for contributions made online at uesp.org is 11:59 p.m., MT, Thursday, December 31, 2015.

Likewise, 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., Mountain Time (MT), Thursday, December 31, 2015. New Account Agreements also can be faxed to UESP, and must arrive before the 5:00 p.m. deadline on December 31, 2015. New accounts opened and contributions made online at uesp.org must be completed before 11:59 p.m., MT, Thursday, December 31, 2015.

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; 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 send an email to 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.