

Legislative Analysis



MICHIGAN EDUCATION SAVINGS INVESTMENT STRATEGIES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4887 as introduced
Sponsor: Rep. Anthony G. Forlini
Committee: Tax Policy
Complete to 10-27-15

Analysis available at
<http://www.legislature.mi.gov>

Enrolled as Public Act 51 of 2016

SUMMARY:

House Bill 4887 would link the investment strategies an account owner may select to those outlined under Section 529 of the federal Internal Revenue Code without any state-imposed timing limitations.

Under the Michigan Education Savings Policy Act, an account owner may only select different investment strategies designed by a program manager to the extent allowed under Section 529 of the internal revenue code:

- At the time a contribution is made.
- Once each calendar year.
- When the account owner changes the designation of the account beneficiary.

The bill would remove these limitations and allow the account owner to select among investment strategies designed by a program manager as long as the requirements outlined under Section 529 of the Internal Revenue Code are met.

FISCAL IMPACT:

Because the bill would only affect the ability to make or change investment strategies within an education savings plan and not when contributions or distributions occur, there is no fiscal impact to state or local revenues.

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