

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

Senate Bill 478

By Senators Grady and Plymale

[Introduced January 26, 2023; referred
to the Committee on Finance]

1 A BILL to amend and reenact §11-21-12m and §11-21-25 of the Code of West Virginia, 1931, as
2 amended; to amend and reenact §11-24-10a of said code, to amend and reenact §18-30-3
3 of said code; and to amend and reenact §18-30A-3, §18-30A-10, §18-30A-11, and §18-
4 30A-13 of said code, all relating generally to the Jumpstart Savings Program; clarifying that
5 the entire amount of an account distribution used for certain qualified expenses is subject
6 to reducing personal income tax modification; clarifying that the amount of an account
7 distribution is only subject to reducing personal income tax modification to the extent that
8 the amount is not allowable as certain federal deductions; establishing an increasing
9 personal income tax modification for account distributions used for nonqualified expenses
10 and previously applied toward the reducing personal income tax modification for account
11 contributions; defining terms; providing that an employer may not claim a tax credit for
12 matching contributions to an account if the employer is the account owner or account
13 beneficiary; providing that an employer may not claim both the reducing personal income
14 tax modification and the matching credit for an amount contributed to an employee's
15 account; permitting employers to claim matching credit for certain amounts allowable as
16 federal tax deductions; eliminating a definition related to an obsolete account; defining
17 terms; expanding the occupations and professions in which an individual may incur
18 qualified expenses; eliminating the minimum deposit required to open an account and for
19 certain opening incentive deposits; authorizing the board to establish a minimum deposit to
20 open an account or for certain opening incentive deposits; establishing retroactive internal
21 effective date of January 1, 2023 for certain provisions; and making technical and clarifying
22 corrections to reporting requirements.

Be it enacted by the Legislature of West Virginia:

CHAPTER 11. TAXATION.

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12m. Additional modifications related to a Jumpstart Savings Account.

1 (a) *Modification for contributions.*

2 (1) For taxable years beginning on or after January 1, 2022, ~~in addition to amounts~~
3 ~~authorized to be subtracted from federal adjusted gross income pursuant to §11-21-12 of this code~~
4 a modification reducing federal adjusted gross income is hereby authorized in an amount equal to
5 a West Virginia taxpayer's contribution to a Jumpstart Savings Account for the taxable year in
6 which the payment is made, in accordance with §18-30A-1 *et seq.* of this code, but only to the
7 extent the amount is not allowable as a deduction when arriving at the taxpayer's federal adjusted
8 gross income for the taxable year.

9 (2) The decreasing modification allowed pursuant to this subsection may not exceed
10 \$25,000 in a single taxable year: *Provided*, That the taxpayer may also elect to carry forward the
11 modification over a period not to exceed five taxable years, beginning in the taxable year in which
12 the contribution was made.

13 (b) *Decreasing modification for qualified distributions not deductible from federal adjusted*
14 *gross income.*

15 (1) For taxable years beginning on or after January 1, 2022, ~~in addition to amounts~~
16 ~~authorized to be subtracted from federal adjusted gross income pursuant to §11-21-12 of this~~
17 ~~code,~~ a modification reducing federal adjusted gross income is hereby authorized in an amount
18 equal to the ~~portion~~ entire amount of a distribution from a Jumpstart Savings Account received by
19 a distributee that is used to pay for qualified expenses ~~as defined in §18-30A-11 of this code~~
20 described in §18-30A-3(a)(11)(D). Such decreasing modification is authorized for the taxable year
21 the distribution is made to the distributee, but only to the extent the distribution amount is not
22 allowable as a deduction when arriving at the distributee's federal adjusted gross income for the
23 taxable year when the distribution was made. Any decreasing modification applied by a distributee
24 shall be subject to disallowance to the extent that the distributed moneys are not used to pay for
25 qualified expenses, as defined in §18-30A-11 of this code in the taxable year of receipt of the

26 distribution or the next succeeding taxable year.

27 (2) The decreasing modification allowed pursuant to this subsection may not exceed
28 \$25,000 for the taxable year.

29 ~~(3) For the purposes of this section, the term "distributee" means the beneficiary or the~~
30 ~~owner of a Jumpstart Savings Account who is authorized to receive distributions from the account,~~
31 ~~according to §18-30A-1 et seq. of this code and the legislative rules and procedures adopted by~~
32 ~~the Jumpstart Savings Board.~~

33 (c) Increasing modification for distributions not used for qualified expenses. – For taxable
34 years beginning on or after January 1, 2023, there shall be added to the federal adjusted gross
35 income of a distributee, unless already included in federal adjusted gross income for the taxable
36 year, any amount previously applied to a decreasing modification of federal adjusted gross income
37 pursuant to subsection (a) of this article for any amount contributed to a Jumpstart Savings
38 Account, that is subsequently withdrawn from said account and not used for qualified expenses in
39 the taxable year of receipt of the distribution or the next succeeding taxable year.

40 ~~(e) (d) Modification for rollover of certain distributions.~~ – ~~In addition to amounts authorized~~
41 ~~to be subtracted from federal adjusted gross income pursuant to §11-21-12 of this code A~~
42 ~~modification reducing federal adjusted gross income is hereby authorized for the account owner,~~
43 ~~to the extent that the amount is not allowable as a deduction when arriving at the account owner's~~
44 ~~federal adjusted gross income, in the amount as follows:~~

45 (1) An amount equal to a distribution from a Jumpstart Savings Account received in the
46 taxable year, if the account owner deposits such amount into a West Virginia ABLE Account within
47 30 days of receiving the distribution, according to the requirements of §18-30A-1 et seq. of this
48 code; and

49 (2) An amount equal to the portion of a distribution received in the taxable year from a
50 college savings account, established pursuant to §18-30-1 et seq. of this code, if the taxpayer
51 deposits the amount into a Jumpstart Savings Account within 30 days of receiving the distribution

52 according to the requirements of §18-30A-1 *et seq.* of this code.

53 ~~(d)~~ (e) Nothing in this section shall be construed to decrease or otherwise impact any
54 person's federal tax obligations or to authorize any act which violates federal law.

55 (f) Definitions. – For the purposes of this section:

56 (1) "Distributee" means the person who is authorized to receive distributions from a
57 Jumpstart Savings Account, according to §18-30A-1 *et seq.* of this code and the legislative rules
58 and procedures adopted by the Board of Trustees of the West Virginia College and Jumpstart
59 Savings Programs.

60 (2) "Qualified expense" has the meaning provided in §18-30A-3 of this code.

61 (g) The modifications authorized in this section are authorized in addition to amounts
62 authorized to be subtracted from federal adjusted gross income pursuant to §11-21-12 of this
63 code.

64 (h) The amendments to this section adopted during the 2023 Regular Session of the
65 Legislature are effective January 1, 2023.

§11-21-25. Nonrefundable credit for matching contribution to employee's Jumpstart Savings Account.

1 (a) A nonrefundable credit against the tax imposed by the provisions of this article is
2 allowed against the tax liability imposed under this article of a qualified employer, for a matching
3 contribution made to a Jumpstart Savings Account in the taxable year, if the ~~beneficiary of the~~
4 account owner is an employee of the taxpayer and a West Virginia resident, subject to the
5 requirements of §18-30A-1 *et seq.* and the following:

6 (1) The employer must directly contribute an amount to a Jumpstart Savings Account that
7 is equal to a contribution made by the employee to such account in the same taxable year.

8 (2) The credit allowed by this section may not exceed \$5,000 per employee per taxable
9 year.

10 (3) The amount of the credit may not exceed the portion of the contribution that is

11 attributable to the employer and that would otherwise be derived by the employer as income from
12 his or her business for the taxable year.

13 (4) The employer may not claim the credit if the employer himself or herself is the account
14 owner or beneficiary of the account to which the matching contribution was made.

15 (5) ~~An~~ The employer may not claim a credit against more than one type of tax for a single
16 contribution to a Jumpstart Savings Account.

17 ~~(6) The employer may not claim both the credit and a decreasing modification authorized~~
18 ~~by §11-21-12m of this code for an amount contributed to an employee's account.~~

19 ~~(b) The credit provided by this section is only allowed to the extent the amount is not~~
20 ~~allowable as a deduction when arriving at the taxpayer's federal adjusted gross income for the~~
21 ~~taxable year in which the contribution is made~~

22 ~~(e)~~ (b) In order to qualify for the credit provided by this section, an employer must submit
23 any forms or other information, as required by the West Virginia Jumpstart Savings Board or the
24 State Treasurer, and the Tax Commissioner, upon making the contribution.

25 ~~(d)~~ (c) *Conduit Entities and Proprietorships Personal Income Taxes.* —

26 (1) If the employer directly contributing an amount to a Jumpstart Savings Account is an
27 electing small business corporation (as defined in Section 1361 of the United States Internal
28 Revenue Code of 1986, as amended), a partnership, a limited liability company that is treated as a
29 partnership for federal income tax purposes, or a sole proprietorship, ~~then~~ the credit authorized
30 pursuant to this section is allowed as a credit against the taxes imposed by this article on the flow
31 through income of S corporation shareholders, partners, owners, and limited liability company
32 members derived from such electing small business corporation, partnership, or limited liability
33 company attributable to business or other activity.

34 (2) If the employer directly contributing an amount to a Jumpstart Savings Account is a
35 sole proprietor, ~~then~~ the credit authorized pursuant to this section is allowed as a credit against the
36 taxes imposed by this article on the income of the sole proprietor attributable to the business.

37 (3) Electing small business corporations, limited liability companies, partnerships, and
38 other unincorporated organizations shall allocate the credit allowed by this article among its
39 partners, owners, shareholders, or members in the same manner as profits and losses are
40 allocated for the taxable year.

41 (4) No credit is allowed under this section against any employer withholding taxes
42 imposed by this article.

43 (5) The credit allowed under this section must be used in the tax year in which the
44 contribution is made. The credit may not be carried back to a prior tax year nor carried forward to a
45 subsequent tax year. Any unused amount of ~~unused~~ the credit is forfeited.

46 (d) The amendments to this section adopted during the 2023 Regular Session of the
47 Legislature are effective January 1, 2023.

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-10a. Nonrefundable credit for matching contribution to employee’s Jumpstart Savings Account.

1 (a) A nonrefundable credit against the tax imposed by the provisions of this article is
2 allowed for a matching contribution to a Jumpstart Savings Account made in the taxable year if the
3 ~~beneficiary of the account~~ owner is an employee of the taxpayer and a West Virginia resident,
4 subject to the requirements of §18-30A-1 *et seq.* and the following:

5 (1) The employer must directly contribute an amount to a Jumpstart Savings Account that
6 is equal to a contribution made by the employee to such account in the same taxable year.

7 (2) The credit allowed by this section may not exceed \$5,000 per employee per taxable
8 year.

9 (3) ~~An~~ The employer may not claim the credit against more than one type of tax for a single
10 contribution to a Jumpstart Savings Account.

11 (4) The employer may not claim both the credit and a decreasing modification authorized
12 by §11-21-12m of this code for an amount contributed to an employee’s account.

13 ~~(b) The credit provided by this section is only allowed to the extent the amount is not~~
14 ~~allowable as a deduction when arriving at the taxpayer's federal adjusted gross income for the~~
15 ~~taxable year in which the contribution is made~~

16 ~~(e) (b)~~ In order to qualify for the credit provided by this section, an employer must submit
17 any forms or other information, as required by the West Virginia Jumpstart Savings Board or the
18 State Treasurer, or the Tax Commissioner, upon making the contribution.

19 ~~(d) (c)~~ *Conduit Entities Corporation Net Income Tax.* —

20 (1) If the employer directly contributing an amount to a Jumpstart Savings Account is an
21 electing small business corporation (as defined in Section 1361 of the United States Internal
22 Revenue Code of 1986, as amended), a partnership, or a limited liability company that is treated
23 as a partnership for federal income tax purposes, ~~then~~ the credit authorized pursuant to this
24 section is allowed as a credit against the taxes imposed by this article on the flow through income
25 of S corporation shareholders, partners, owners, and limited liability company members derived
26 from such electing small business corporation, partnership, or limited liability company attributable
27 to business or other activity.

28 (2) Electing small business corporations, limited liability companies, partnerships, and
29 other unincorporated organizations shall allocate the credit allowed by this article among its
30 corporate partners, owners, shareholders, or members in the same manner as profits and losses
31 are allocated for the taxable year.

32 (3) No credit is allowed under this section against any employer withholding taxes imposed
33 by this article.

34 (4) The credit allowed under this section must be used in the tax year in which the
35 contribution is made. The credit may not be carried back to a prior tax year nor carried forward to a
36 subsequent tax year. Any unused amount of ~~unused~~ the credit is forfeited.

37 (d) The amendments to this section adopted during the 2023 Regular Session of the
38 Legislature are effective January 1, 2023.

CHAPTER 18. EDUCATION.

ARTICLE 30. WEST VIRGINIA COLLEGE PREPAID TUITION AND SAVINGS PROGRAM ACT.

§18-30-3. Definitions.

1 For the purposes of this article, the following terms have the meanings ascribed to them,
2 unless the context clearly indicates otherwise or as otherwise provided in 26 U.S.C. § 529:

3 "Account" means a savings plan account established in accordance with this article.

4 "Account owner" means the individual, corporation, association, partnership, trust, or other
5 legal entity who enters into a savings plan contract and invests money in a savings plan account.

6 "Beneficiary" means the individual designated as a beneficiary at the time an account is
7 established, the individual designated as the beneficiary when beneficiaries are changed, the
8 individual entitled to receive distributions from an account, and any individual designated by the
9 account owner, his or her agent, or his or her estate in the event the beneficiary is unable or
10 unwilling to receive distributions under the terms of the contract.

11 "Board" means the Board of Trustees of the West Virginia College and Jumpstart Savings
12 Programs as provided in §18-30-4 of this code.

13 "Distribution" means any disbursement from an account in accordance with 26 U.S.C.
14 §529.

15 "Eligible educational institution" means an institution of higher education or a private or
16 religious primary, middle, or secondary school that qualifies under 26 U.S.C. §529 as an eligible
17 educational institution.

18 "~~Jumpstart Savings Expense Fund~~", for the purposes of this article, means the College and
19 ~~Jumpstart Savings Administrative Account, established in §18-30-8 of this code~~

20 "Outstanding obligations of the Prepaid Tuition Plan" means the outstanding contract
21 obligations of the board to persons owning Prepaid Tuition Plan accounts. The term also includes

22 any fees, charges, expenses, penalties, or any other obligation or liability of the Prepaid Tuition
23 Trust Fund or plan.

24 "Prepaid Tuition Program" means the Prepaid Higher Education Program and Plan, which
25 was previously established and authorized by this article as reflected in chapter 80, Acts of the
26 Legislature, Regular Session, 1997, and which was closed in 2021.

27 "Program" means the West Virginia College Savings Program established pursuant to this
28 article and as defined in §18-30-4(a) of this code.

29 "Qualified education expenses" means expenses treated as "qualified higher education
30 expenses" under 26 U.S.C. §529.

31 "Savings plan" means the plan that allows account distributions for qualified higher
32 educational expenses and tuition at private or religious primary, middle, and secondary schools.

33 "Savings plan account" means an account established by an account owner pursuant to
34 this article, in order for the beneficiary to apply distributions toward qualified higher education
35 expenses and tuition expenses at eligible educational institutions.

36 "Savings plan contract" means a contract entered into by the board or its agent, if any, and
37 an account owner establishing a savings plan account.

38 "Treasurer" means the West Virginia State Treasurer.

39 "Tuition" means the quarter, semester, or term charges imposed by an eligible educational
40 institution and all mandatory fees required as a condition of enrollment by all students for full-time
41 attendance.

ARTICLE 30A. WEST VIRGINIA JUMPSTART SAVINGS ACT.

§18-30A-3. Definitions.

1 (a) For the purposes of this article, the following terms shall have the following meanings:

2 (1) "Account owner" means the person who opens and invests money into a Jumpstart
3 Savings Account, as provided in this article.

4 (2) "Beneficiary" means the person designated as a beneficiary at the time an account is

5 established, or the individual designated as the beneficiary when the beneficiary is changed.

6 (3) The "board" means the Board of Trustees of the West Virginia College and Jumpstart
7 Savings Programs created in §18-30-4 of this code.

8 (4) "Contribution" means any amount of money deposited into a Jumpstart Savings
9 Account according to the procedures established and required by the board or the Treasurer.

10 (5) "Deduction" as used in this article has the same meaning as when used in a
11 comparable context in the laws of the United States relating to income taxes, unless a different
12 meaning is clearly required. Deduction means and refers to a deduction allowable under the
13 federal income tax code for the purpose of determining federal taxable income or federal adjusted
14 gross income, unless text clearly indicates otherwise.

15 (6) "Distributee" has the same meaning provided in §11-21-12m of this code.

16 (7) "Distribution" means any disbursement from an account.

17 (8) The term "family member", as used to describe a person's relationship to a designated
18 beneficiary, includes any of the following:

19 (A) The spouse of the beneficiary;

20 (B) A child of the beneficiary or a descendant of the beneficiary's child;

21 (C) A brother, sister, stepbrother, or stepsister of the beneficiary;

22 (D) The father or mother of the beneficiary, or an ancestor of either;

23 (E) A first cousin of the beneficiary;

24 (F) A stepfather or stepmother of the beneficiary;

25 (G) A son or daughter of a brother or sister of the beneficiary;

26 (H) A brother or sister of the father or mother of the beneficiary;

27 (I) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or
28 sister-in-law of the beneficiary; or

29 (J) The spouse of any person described in paragraphs (B) through (I) of this subdivision.

30 (K) Any term set forth in this subdivision means and includes such term as established

31 through a lawful adoption, including, but not limited to, adoptions of a child or children, or other
32 natural person, by a natural person or natural persons who are not the father, mother, or
33 stepparent of the child or person.

34 (9) "Labor organization" means any organization, agency, association, union, or employee
35 representation committee of any kind that exists, in whole or in part, to assist employees in
36 negotiating with employers concerning grievances, labor disputes, wages, rates of pay, or other
37 terms or conditions of employment.

38 (10) The "program" refers to the Jumpstart Savings Program established by this article.

39 (11) "Qualified expense" means an account distribution, or any amount thereof, expended
40 by an account beneficiary in the taxable year of receipt of the distribution or the next succeeding
41 taxable year that:

42 (A) Is allowable as a federal personal income tax deduction pursuant to 26 U.S.C. §162, as
43 an ordinary and necessary business expense, and is incurred in carrying on a qualifying
44 profession;

45 (B) Is allowable as a federal personal income tax deduction pursuant to 26 U.S.C. §195(b),
46 as a business start-up expenditure, and is incurred in carrying on a qualifying profession; or

47 (C) Is expended for goods, services, or other expenses that qualify for a federal personal
48 income tax deduction for depreciation or amortization over time, pursuant to a provision of 26
49 U.S.C. §§161-199a and that are used to carry on a qualifying profession; or

50 (D) Is not allowable as any one of the federal personal income tax deductions described in
51 paragraphs (A) through (C) of this subdivision and is expended for:

52 (i) The purchase of tools, equipment, or supplies used exclusively in a qualifying
53 profession;

54 (ii) Costs to establish a business in this state to practice a qualifying profession; or

55 (iii) Fees for required certification or licensure in a qualifying profession: *Provided*, That in
56 no event shall any dues, fees, subscriptions, or any other payments to a labor organization

57 constitute qualified expenses for the purposes of this article; and

58 (iv) Is not reimbursed by the taxpayer’s employer.

59 (12) "Qualifying profession" means an occupation, profession, or trade for which the
60 designated beneficiary is required to:

61 (A) Complete an apprenticeship program registered and certified with the United States
62 Department of Labor, as provided in 29 U.S.C. §50;

63 (B) Complete an apprenticeship program required by any provision of this code or a
64 legislative rule promulgated pursuant to this code;

65 (C) Earn a license or certification from an Advanced Career Education (ACE) career
66 center; or

67 (D) Earn an associate degree or certification from a community and technical college or
68 from a school or program, authorized by the West Virginia Council for Community or Technical
69 College Education or a similar agency in another state, to award associate’s degrees or technical
70 certifications;

71 (E) Earn a license or certification from a career and technical education or vocational
72 training program at a public secondary school; or

73 (F) Complete any other apprenticeship or educational program consistent with the
74 purposes of this article, as approved by the Board.

75 ~~(14)~~ (13) The "Treasurer" refers to the West Virginia State Treasurer or his or her designee.

76 (b) The amendments to this section adopted during the 2023 Regular Session of the
77 Legislature are effective January 1, 2023.

§18-30A-10. Opening a Jumpstart Savings Account; deposits.

1 (a) Beginning on July 1, 2022, a person may open a Jumpstart Savings Account.

2 (b) To open a Jumpstart Savings Account, the account owner must:

3 (1) Provide all information required by the Treasurer;

4 (2) Make a minimum opening deposit, ~~of \$25~~ if required by the board; and

5 (3) Name a single person as the designated beneficiary: *Provided*, That the designated
 6 beneficiary may be the account owner himself or herself, or another person: *Provided, however*,
 7 That the beneficiary may not be a business, corporation, or enterprise.

8 (c) The Treasurer will deposit \$100 from the ~~Jumpstart Savings Expense Fund~~ College and
 9 Jumpstart Savings Administrative Account into a newly opened Jumpstart Savings Account if the
 10 following criteria are met:

11 (1) The designated beneficiary is a resident of West Virginia;

12 (2) Any minimum deposit required by the board is made to the account within 30 days of
 13 the account's opening; and

14 ~~(2)~~ (3) The account is opened when the designated beneficiary is under 18 years of age; or

15 ~~(3)~~ (4) The account is opened within the 180 days following the date of the designated
 16 beneficiary's enrollment in an apprenticeship, training, or educational program described in ~~§18-~~
 17 ~~30A-11(e)(1)(A)~~ §18-30A-3(a)(12) of this code.

18 (d) Any person may make a contribution to a Jumpstart Savings Account after the account
 19 is opened, subject to applicable state and federal laws.

20 (e) The Treasurer shall prescribe all forms required to open and make deposits to a
 21 Jumpstart Savings Account and make the forms available in a prominent location on the
 22 Treasurer's website.

23 (f) The Board may establish minimum deposits or amounts for accounts to be considered
 24 active and may establish procedures to close inactive accounts.

§18-30A-11. Distributions; qualified expenses.

1 ~~(a) A distribution from a Jumpstart Savings Account that was used to pay for qualified~~
 2 ~~expenses as defined in subsection (c) of this section, shall establish entitlement of the distributee~~
 3 ~~to the personal income tax decreasing modification authorized by §11-21-12m(b) of this code, and~~
 4 ~~such decreasing modification may be applied to determine West Virginia adjusted gross income of~~
 5 ~~the distributee in the taxable year in which such qualified expenses were paid~~

6 (a) A distribution from a Jumpstart Savings Account that was used to pay for qualified
7 expenses is not subject to the increasing income tax modification provided in §11-21-12m(c) of this
8 code.

9 (b) A change in the designated beneficiary of a Jumpstart Savings Account is not a
10 distribution for the purposes of this article or §11-21-1 *et seq.* of this code if the new beneficiary is a
11 family member of the prior beneficiary.

12 ~~(c) Qualified expenses.—~~

13 ~~(1) For the purposes of this article and §11-21-12m of this code, expenditures of~~
14 ~~distributions for the following purposes are qualified expenses:~~

15 ~~(A) The purchase of tools, equipment, or supplies by the beneficiary to be used exclusively~~
16 ~~in an occupation or profession for which the beneficiary is required to:~~

17 ~~(i) Complete an apprenticeship program registered and certified with the United States~~
18 ~~Department of Labor, as provided in 29 U.S.C. §50;~~

19 ~~(ii) Complete an apprenticeship program required by any provision of this code or a~~
20 ~~legislative rule promulgated pursuant to this code;~~

21 ~~(iii) Earn a license or certification from an Advanced Career Education (ACE) career~~
22 ~~center; or~~

23 ~~(iv) Earn an associate degree or certification from a community and technical college.~~

24 ~~(B) Fees for required certification or licensure for the beneficiary to practice a trade or~~
25 ~~occupation described in paragraph (A) of this subdivision in this state; and~~

26 ~~(C) Costs incurred by the beneficiary that are necessary to establish a business in this~~
27 ~~state in which the beneficiary will practice an occupation or profession described in paragraph (A)~~
28 ~~of this subdivision when the costs are exclusively incurred and paid for the purpose of establishing~~
29 ~~and operating such business.~~

30 ~~(2) In no event shall any dues, fees, subscriptions, or any other payments to a labor~~
31 ~~organization constitute qualified expenses for the purposes of this article.~~

32 (c) Pursuant to the rulemaking authority provided in this article, the board shall promulgate
 33 rules specifying the expenditures that constitute qualified expenses, according to §18-30A-
 34 3(a)(11)(D) of this code.

§18-30A-13. Reports and account; annual audit.

1 (a) In addition to any other requirements of this article, the board shall:
 2 (1) Prepare and provide an annual summary of information on the financial condition of the
 3 Jumpstart Savings Trust Fund ~~and Expense Fund~~ and statements on the savings program
 4 accounts to the respective account owners; and
 5 (2) Prepare, or have prepared, a quarterly report on the status of the program, including the
 6 Jumpstart Savings Trust Fund ~~and Expense Fund~~ the College and Jumpstart Savings
 7 Administrative Account and provide a copy of the report to the Joint Committee on Government
 8 and Finance: Provided, That the report submitted pursuant to §18-30-10 of this code fulfills this
 9 subdivision's requirement concerning the College and Jumpstart Savings Administrative Account.
 10 (b) All accounts administered under the program, including the Jumpstart Savings Trust
 11 Fund ~~and Expense Fund~~, are subject to an annual external audit by an accounting firm, selected
 12 by the board, of which all members or partners assigned to head the audit are members of the
 13 American Institute of Certified Public Accountants. The audit shall comply with the requirements
 14 and standards in §5A-2-33 of this code.

NOTE: The purpose of this bill is to clarify tax provisions related to the Jumpstart Savings Program and expand the occupations and professions in which an individual may incur qualified expenses.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.