



EQUALITY ♦ LAW ♦ JUSTICE

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Oral Testimony in Support of SB 449
House Taxation Committee
April 3, 2018

Chairman Johnson and members of the Committee:

My name is Mike Burgess. I am the Director of Policy & Outreach at the Disability Rights Center of Kansas (DRC). DRC is a public interest legal advocacy organization that is part of a national network of federally mandated organizations empowered to advocate for Kansans with disabilities. DRC is the officially designated protection and advocacy system in Kansas. DRC is a private, 501(c)(3) nonprofit corporation, organizationally independent of state government and whose sole interest is the protection of the legal rights of Kansans with disabilities.

I am happy to share good news on the ABLE Act front. Federal tax reform changes included several changes to make ABLE accounts even more accessible for people with disabilities.

Since January 1 of this year, people who have a 529 College Savings Account can now transfer monies from that account into an ABLE account. The law also increased the contribution limits and made a few other changes to make the program even more effective.

Through SB 449, this committee has an opportunity to remove hoops and barriers that now needlessly make things more difficult for individuals with disabilities and their families. It has the added benefit of doing with only a minimal (if any) fiscal impact to the State of Kansas.

As of January 1, there is a legal process for families to “work around” two of the deterrents to the growth of the program. They can now simply open a Learning Quest account, make the contributions this 529 account, take advantage of the tax benefits of making a deductible contribution, leave that investment in place until they need to make an expenditure. The entire time that investment is in the Learning Quest account, it is protected from the claw back that currently exists in an ABLE account. They can then simply transfer the money to an ABLE account as they need to make expenditures.

Unfortunately the claw back in the existing Kansas ABLE Act serves as a deterrent to the growth and success of this important program. Just this week, I heard from yet another parent this is the reason their child does not have an ABLE account.

I would like to encourage you to remove these needless barriers and help ensure the success of this great program and encourage you to act favorably in SB 449. I would be happy to stand for questions at the appropriate time.