

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 1024
Apr 21, 2026
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40634-MTfa-167

Short Title: Revise NC 529 Program.

(Public)

Sponsors: Representative Roberson.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A MATCHING PROGRAM FOR CONTRIBUTIONS TO THE
3 PARENTAL SAVINGS TRUST FUND AND TO CREATE A TAX DEDUCTION FOR
4 CERTAIN CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS.

5 The General Assembly of North Carolina enacts:

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7 **PART I. PARENTAL SAVINGS TRUST FUND MATCHING PROGRAM**

8 **SECTION 1.(a)** G.S. 116-209.25 is amended by adding the following new
9 subsection to read:

10 "(e1) Matching Program. – The Authority shall establish a matching program for
11 contributions made by eligible persons who open an education savings and investment plan
12 account qualified under section 529 of the Internal Revenue Code to contribute funds to the
13 Parental Savings Trust Fund for qualifying students. As part of the Program, the Authority shall
14 provide matching contributions of one hundred dollars (\$100.00) for every fifty dollars (\$50.00)
15 contributed by an eligible person, up to five hundred dollars (\$500.00) per year. Matching funds
16 shall be provided up to a maximum of one thousand five hundred dollars (\$1,500) per qualifying
17 student. For purposes of this subsection, the following definitions shall apply:

18 (1) Eligible person. – A qualified parent or other interested party that meets all of
19 the following criteria:

20 a. Qualifies as a resident under the criteria set forth in G.S. 116-143.1
21 and in accordance with the coordinated and centralized residency
22 determination process administered by the Authority.

23 b. Has a household income not in excess of two hundred fifty percent
24 (250%) of the federal poverty guidelines.

25 (2) Program. – The matching program established pursuant to this subsection.

26 (3) Qualifying student. – An eligible student in accordance with section 529 of
27 the Code who meets all of the following criteria:

28 a. Qualifies as a resident under the criteria set forth in G.S. 116-143.1
29 and in accordance with the coordinated and centralized residency
30 determination process administered by the Authority.

31 b. Is 14 years of age or younger."

32 **SECTION 1.(b)** There is appropriated from the General Fund to the Board of
33 Governors of The University of North Carolina for the 2026-2027 fiscal year the sum of one
34 hundred eighty thousand dollars (\$180,000) in recurring funds to be allocated to the State
35 Education Assistance Authority to provide matching contributions to the Parental Savings Trust
36 Fund pursuant to G.S. 116-209.25(e1), as enacted by subsection (a) of this section.



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1 **SECTION 1.(c)** This section becomes effective July 1, 2026.

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3 **PART II. CREATE A TAX DEDUCTION FOR CERTAIN CONTRIBUTIONS TO**
4 **QUALIFIED TUITION PROGRAMS**

5 **SECTION 2.(a)** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

6 "(12a) An amount, not to exceed two thousand dollars (\$2,000), contributed to an
7 account in the Parental Savings Trust Fund of the State Education Assistance
8 Authority established pursuant to G.S. 116-209.25. In the case of a married
9 couple filing a joint return, the maximum dollar amount of the deduction is
10 four thousand dollars (\$4,000). The taxpayer shall add to adjusted gross
11 income the amount deducted in a prior taxable year under this subdivision to
12 the extent this amount was withdrawn from the Parental Savings Trust Fund
13 and not used to pay for the qualified higher education expenses of the
14 designated beneficiary, unless the withdrawal was made without penalty
15 under section 529 of the Code due to the death or permanent disability of the
16 designated beneficiary."

17 **SECTION 2.(b)** This section is effective for taxable years beginning on or after
18 January 1, 2027.

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20 **PART III. EFFECTIVE DATE**

21 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
22 law.