

## 529 Education Savings Plans

What, if any, state penalties exist for withdrawals for nonqualified expenses?

June 2020

View the full 50-State Comparison: 529 Education Savings Plans [here](#).

STATE ▲	WHAT, IF ANY, STATE PENALTIES EXIST FOR WITHDRAWALS FOR NONQUALIFIED EXPENSES?
Alabama	State income tax, plus a penalty: 10% of the withdrawal amount is added back into the taxable income of the taxpayer
Alaska	N/A (no state income tax)
Arizona	State income tax
Arkansas	State income tax
California	2.5% additional tax
Colorado	State income tax
Connecticut	State income tax
Delaware	No state penalties
District of Columbia	State income tax
Florida	N/A (no state income tax)
Georgia	State income tax
Hawaii	State income tax
Idaho	State income tax
Illinois	State income tax
Indiana	State income tax
Iowa	State income tax
Kansas	State income tax

STATE ▲	WHAT, IF ANY, STATE PENALTIES EXIST FOR WITHDRAWALS FOR NONQUALIFIED EXPENSES?
Kentucky	State income tax
Louisiana	State income tax
Maine	State income tax
Maryland	State income tax
Massachusetts	State income tax
Michigan	State income tax
Minnesota	State income tax
Mississippi	State income tax
Missouri	State income tax PLUS a penalty: penalty amount is equal to or greater than 10% of the earnings of an account
Montana	State income tax
Nebraska	State income tax
Nevada	N/A (no state income tax)
New Hampshire	N/A (no state income tax)
New Jersey	State income tax
New Mexico	State income tax
New York	State income tax
North Carolina	State income tax
North Dakota	State income tax
Ohio	State income tax
Oklahoma	State income tax, plus a penalty: up to 5% of the withdrawal amount
Oregon	State income tax
Pennsylvania	State income tax
Rhode Island	State income tax
South Carolina	State income tax
South Dakota	N/A (no state income tax)

STATE ▲	WHAT, IF ANY, STATE PENALTIES EXIST FOR WITHDRAWALS FOR NONQUALIFIED EXPENSES?
Tennessee	N/A (no state income tax)
Texas	N/A (no state income tax)
Utah	State income tax
Vermont	State income tax
Virginia	State income tax
Washington	N/A (no state income tax)
West Virginia	State income tax
Wisconsin	State income tax
Wyoming	N/A (no state plan)