



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 211 without my signature.

This bill would allow an income tax deduction for contributions to qualified tuition savings programs, known as 529 plans, for qualified taxpayers.

My Administration is supportive of the underlying goals of increasing affordability and access to higher education for all Californians. In partnership with the Legislature, the 2019 Budget Act made significant investments and expansions in the Cal Grant program. Additionally, the 2019 Budget Act increased provided \$50 million to spur the creation of child savings accounts for every child in Kindergarten through establishing a state-level program in conjunction with the ScholarShare program and through the provision of grants to local governments and nonprofit organizations that sponsor or create local or regional child savings account programs.

While I appreciate the Legislature's intent, a careful balancing of the benefits of the proposed tax deduction in relation to the revenue losses, approximately \$13 million, would be better addressed through the annual budget process.

Sincerely,


Gavin Newsom