

529 plans: choose your state advantage

A 529 education savings plan is a state-sponsored account with a menu of investment portfolios. It is not the same as opening an ordinary brokerage account. The right starting point is usually your home state's direct-sold plan, followed by a comparison of benefits, fees and investment choices.

Make the decision in this order

1. Identify the contributor's tax residence. 2. Check whether your state rewards contributions to its own plan, any state's plan, or neither. 3. Check grants, matching programs and beneficiary residency requirements. 4. Compare total annual investment and account costs. 5. Choose a portfolio matched to when the money will be spent.

A deduction reduces taxable income; a credit reduces tax under its own rules. A $3,000 deductible contribution at a hypothetical 5% state tax rate saves $150, not $3,000. Income limits, caps, filing status, deadlines and recapture rules can change the value. Never assume a deduction shown for one household applies to yours.

Direct-sold versus adviser-sold

A direct-sold plan lets you enroll through the program website. An adviser-sold option may add advice, sales charges or other expenses. Ask for all-in costs in dollars and what service you receive. The largest brokerage brand is not automatically the best 529 for your state.

Three useful national comparisons

Utah my529, New York's Direct Plan and California ScholarShare are practical direct-sold comparisons for investment choices and costs. This is a shortlist, not a universal ranking. A home-state credit, deduction or grant may outweigh a lower fee elsewhere.

Use the 529 Network state directory and MSRB EMMA plan disclosures to compare official documents. The following directory covers all 50 states plus DC; it identifies starting points, not every plan offered in each state.

Reviewed October 3, 2026. Verify current state benefits before contributing or rolling over. Market-based plans can lose money. Federal and state tax treatment may differ. Directory benefit notes are not a complete tax calculation.



Open the account and execute the plan

A seven-step opening process for the directory

1. Follow the official plan link. Select Open an Account or Enroll; when a state has several plans, select the direct-sold savings option after comparing it with prepaid alternatives.

2. Gather information. Prepare the account owner's and beneficiary's identification, dates of birth, addresses and taxpayer IDs, plus bank details. Read any residency restrictions. Name a successor owner where permitted.

3. Read the current disclosure. Check enrollment minimum, ongoing expenses, withdrawal rules, state tax treatment and what happens if you move. Tax benefits may depend on who contributes, not just who owns the account.

4. Choose the portfolio. Enrollment-year or age-based portfolios can gradually reduce risk. Static portfolios require you to manage allocation changes. Near-term tuition should not depend entirely on stock returns.

5. Fund and automate. Start with an amount that fits the household budget. Confirm the bank transfer cleared and was invested. A $150 monthly habit contributes $1,800 annually before returns.

6. Save records. Retain deposits, year-end statements, gift records and benefit applications. Share a program gifting link rather than login credentials.

7. Review annually. Revisit the expected school date, target amount, portfolio risk and eligibility for state incentives. Compare education saving with retirement and emergency needs.

Spending without creating a tax surprise

Verify the institution and expense qualify before withdrawing. Coordinate distributions with the calendar year of payment, retain invoices and account records, and avoid using the same expenses for both tax-free 529 treatment and an education credit.

IRS Topic 313 describes eligible education uses, limited student-loan repayment and special Roth rollover rules. K-12 and credentialing rules have expanded federally, but states may not conform. Do not assume all room, board, transport or extracurricular costs qualify.

Unused funds may have options such as a qualifying beneficiary change, later education or a restricted 529-to-Roth transfer. The Roth route has account-age, contribution-age, annual and lifetime limits; it is not an unrestricted escape hatch. Consult Publication 970 before acting.



State directory: Alabama through Georgia

Use each official link to review the plan and select Open an Account or Enroll. Follow the seven-step process earlier in this guide. Verify the current benefit and eligibility before funding.

Alabama: CollegeCounts. Home-state contribution deduction can be valuable; confirm joint-return contribution rules and recapture before moving money. Compare the direct plan's diversified portfolios.

Alaska: Alaska 529. No state personal income-tax deduction to weigh; review local incentives and Permanent Fund Dividend contribution options alongside fees.

Arizona: AZ529 official plan choices. State tax parity lets eligible residents consider other states' plans for a deduction. Use the state portal to compare its providers and current annual limits.

Arkansas: Brighter Future Direct. In-state contributions can receive a larger deduction allowance than out-of-state contributions. Compare the after-tax benefit, not fees alone.

California: ScholarShare 529. No state contribution deduction; compare costs and portfolios. Check CalKIDS separately for eligible children rather than assuming an ordinary deposit earns a match.

Colorado: CollegeInvest. Review the deduction for eligible Colorado-plan contributions and any current matching programs. The portal offers multiple investment approaches; choose deliberately.

Connecticut: CHET through Fidelity. Home-state deduction and possible carryforward are reasons to start here. Read annual caps before setting a large automatic contribution.

Delaware: DE529 through Fidelity. Check the income-limited state deduction; higher-income contributors may not qualify. Compare investment choices even when no deduction applies.

DC: DC College Savings Plan. The local contribution deduction is a potential advantage. Confirm owner/contributor requirements and carryforward treatment.

Florida: Florida 529 programs. No state income-tax deduction. Compare the investment savings plan with prepaid tuition, including guarantees, residency and refund rules; they are different products.

Georgia: Path2College. Review the Georgia deduction and per-beneficiary limits. Direct enrollment and automatic deposits can simplify a family savings routine.



State directory: Hawaii through Massachusetts

Use each official link to review the plan and select Open an Account or Enroll. Follow the seven-step process earlier in this guide. Verify the current benefit and eligibility before funding.

Hawaii: HI529. No state contribution deduction; use the home plan as a cost and service comparison against other states' direct plans.

Idaho: IDeal. Check the home-state deduction and any matching incentives. Confirm contribution deadlines and how rollovers affect past benefits.

Illinois: Bright Start. The Illinois deduction is a reason to compare this direct-sold plan first. Do not confuse it with an adviser-sold program's charges.

Indiana: Indiana529 Direct. A state tax credit can make eligible contributions especially useful. Confirm qualifying uses, annual limits and credit recapture.

Iowa: Iowa Treasurer's education savings resources. Find ISave 529 enrollment and the current per-beneficiary deduction amount. Verify the latest program name and disclosure before enrolling.

Kansas: Quest529. Tax parity allows consideration of other states' 529 plans for the Kansas deduction. Compare direct options and each portfolio's costs.

Kentucky: KY Saves 529. No state contribution deduction; check residency benefits and compare fees before choosing a plan solely for its location.

Louisiana: START. Review eligibility, state deduction and Earnings Enhancements. START and START K12 have different rules; use the current transition/enrollment instructions on the official site.

Maine: NextGen 529. Check state tax-parity rules and Maine-specific grants. Grant qualification, deadlines and income rules differ from ordinary account eligibility.

Maryland: Maryland 529. Compare the investment plan's deduction with other available incentives and program requirements. Do not assume prepaid and investment plans work alike.

Massachusetts: U.Fund through Fidelity. Review the Massachusetts deduction and MEFA resources. Select U.Fund savings intentionally rather than confusing it with prepaid options.



State directory: Michigan through New York

Use each official link to review the plan and select Open an Account or Enroll. Follow the seven-step process earlier in this guide. Verify the current benefit and eligibility before funding.

Michigan: Michigan Education Savings Program. Check the Michigan deduction and low-cost investment choices; distinguish investment savings from prepaid tuition programs.

Minnesota: Minnesota 529. Compare the state deduction and income-dependent credit; rules restrict claiming both for the same contribution. Tax parity broadens plan choice.

Mississippi: Mississippi College & Career Savings. Review MACS savings and the state deduction; compare prepaid offerings separately.

Missouri: MOST 529. Tax parity means an eligible deduction may also apply to another state's plan. Compare costs, investments and ease of family gifting.

Montana: Achieve Montana. Review state tax parity and deduction rules alongside direct-plan expenses and investment choices.

Nebraska: NEST 529. Home-state deduction can favor this option. Confirm ownership, tax-year limits and which NEST program is direct-sold.

Nevada: Nevada Treasurer's college savings portal. No personal income-tax deduction; compare the state's several programs, fees and resident benefits before selecting one.

New Hampshire: UNIQUE through Fidelity. No state personal income-tax deduction to optimize; compare investment expenses and any resident incentives.

New Jersey: NJBEST. Review the income-limited deduction and conditional scholarship/matching benefits. They do not automatically apply to every account.

New Mexico: The Education Plan. The home-state deduction is a reason to investigate this direct option. Verify current deductibility and rollover treatment.

New York: NY 529 Direct. Compare the state deduction, fund costs and direct enrollment. Out-of-state rollovers or some withdrawals may trigger state recapture.



State directory: North Carolina through Texas

Use each official link to review the plan and select Open an Account or Enroll. Follow the seven-step process earlier in this guide. Verify the current benefit and eligibility before funding.

North Carolina: NC 529. No state contribution deduction; compare expenses, investment risk and the plan's savings options against national alternatives.

North Dakota: College SAVE. Review the state deduction and matching programs. Eligibility for matches may require a separate application or deadline.

Ohio: CollegeAdvantage Direct. Tax parity and carryforward rules make it useful to compare state benefits across plans. Confirm the current deduction per beneficiary.

Oklahoma: Oklahoma 529. Review home-state deductibility, carryforward and investment choices before funding.

Oregon: Embark. Review Oregon's income-based refundable contribution credit and eligible plan requirements. The credit calculation depends on your situation.

Pennsylvania: PA 529. Tax parity broadens choices. Compare the Investment Plan with the Guaranteed Savings Plan, including distinct risks and pricing.

Rhode Island: CollegeBound Saver. Check the home-state deduction and resident incentives. Compare the direct plan with adviser-sold alternatives.

South Carolina: Future Scholar. The home-state deduction is a potential advantage. Verify residency/enrollment requirements and the direct option's costs.

South Dakota: South Dakota Investment Council. Follow the official college-savings route for CollegeAccess 529 and check whether enrollment is adviser-assisted. No personal income-tax deduction; compare total sales and ongoing charges with direct alternatives elsewhere.

Tennessee: TNStars. No state personal income-tax deduction; review the state's matching incentives separately and confirm eligibility before counting on a benefit.

Texas: Texas College Savings Plan. No state personal income-tax deduction. Compare investment savings with prepaid tuition programs and their different limitations.



State directory: Utah through Wyoming

Use each official link to review the plan and select Open an Account or Enroll. Follow the seven-step process earlier in this guide. Verify the current benefit and eligibility before funding.

Utah: my529. Utah residents should review the state credit/deduction rules, age-related eligibility and caps. Nonresidents can compare the investment menu and costs without assuming Utah tax benefits.

Vermont: VSAC VT529. Follow its 529 savings-plan enrollment link. Review the Vermont tax credit, eligible-use rules and possible recapture before moving funds elsewhere.

Virginia: Invest529. Review state deduction, carryforward and age-related provisions. Compare portfolios and total costs rather than assuming the tax benefit eliminates investment risk.

Washington: WA529. Compare GET prepaid tuition with the DreamAhead investment plan. There is no broad state personal income-tax contribution deduction; product guarantees and investment risks differ.

West Virginia: SMART529. Review the state deduction and direct-plan eligibility. Confirm which SMART529 version you are opening and its fees.

Wisconsin: Edvest 529. Check the state deduction, annual adjustments and carryforward. Compare direct-plan costs and automatic saving.

Wyoming: use the 529 Network directory to choose another state's plan; Wyoming has no state-sponsored 529 plan or personal income-tax deduction. Compare Utah, New York and California as starting candidates.

Verify before contributing

These are starting plans, not an exhaustive list. Consult each official disclosure and your state tax agency. A deduction, credit or grant depends on the contributor and circumstances; it is not guaranteed simply because you open an account. Tax-parity categories can be cross-checked in my529's 2026 state-tax overview.



Your education savings action plan

Start this week

- Record contributor's state, beneficiary's age and expected enrollment year.
- Compare your home-state direct plan with two alternatives. Write the tax benefit you personally qualify for, not the advertised maximum.
- Check whether a grant or match needs an application. Save the deadline.
- Choose a sustainable monthly deposit and a portfolio matched to the spending date.

Plan comparison worksheet

Plan A / B / C: _____

State benefit I qualify for: _____

Portfolio and annual total expense: _____

Account fees / minimum / automatic deposit: _____

Residency and withdrawal restrictions: _____

Why my chosen plan wins for my household: _____

Execute and review

Within 30 days, verify the first contribution and investment. Each birthday, review progress and risk. Before the first tuition payment, learn distribution processing times and coordinate tax credits. At year-end, reconcile withdrawals with eligible expenses and retain receipts.

If family or schooling plans change, investigate a beneficiary change or future educational use before a nonqualified withdrawal. Talk with the program and a qualified tax professional before a rollover that could lose state benefits.

Ask these questions before opening

“Which benefits require my state's plan? Who can claim the benefit? Is there an income limit? What is the total annual cost of my portfolio? Are there grants I must apply for? What happens if we move, change beneficiaries, use K-12 funds or roll the account out?”

Keep the whole family plan balanced

College does not have to be fully prepaid to make saving worthwhile. Contributions can reduce future borrowing without sacrificing essential bills or all retirement saving. Use the DollarsWithDad budget planner to assign an affordable education amount and review it alongside emergency savings.