

HB 2571 -- FIRST-TIME BUSINESS OWNER SAVINGS ACCOUNT

SPONSOR: Green

Beginning January 1, 2019, this bill establishes the "First-Time Business Owner Savings Account Act" and authorizes an income tax deduction for 50% of the contributions to such a savings account dedicated to establishing a business for a person who has never owned a business before and who is a member of a minority. The bill specifies that the annual contribution deduction limit is \$1,600 per taxpayer. The maximum contribution limit for all tax years is \$20,000 and the maximum total amount in the savings account is \$30,000.

Funds in the savings account can be used only for eligible expenses that result in the startup of a new business or that occur during the first month of a new business. Any withdrawal of funds for other purposes will be subject to recapture and penalties.

The provisions of the bill will expire December 31, six years from the effective date.

This bill is similar to HB 1796 (2018).