Schedule IN-529R: Recapture of Indiana's CollegeChoice 529 Education Savings Plan Credit

2007

Attachment
Sequence No. 19

Enter your first and last name and spouse's first and last name if filing a joint return.	Your Social Security Number

Enter information about non-qualified withdrawal(s) made during 2007 from your Indiana CollegeChoice 529 Education Savings Plan(s).

Column A Account #	Column B Amount of Non-qualified Withdrawal	Column C Multiply Column B by .20	Column D Enter total of credits previously allowed for the account.		Column E Credit to be Recaptured: Enter smaller of Column C or Column D
				1	
				2	
				3	
				4	
Add amounts from Column E, lines 1 through 4 (add additional sheets if necessary). Enter total here and on IT-40 line 21 or IT-40PNR line 17.				5	

Instructions for Schedule IN-529R

A 529 college savings plan is a reference to Section 529 of the Internal Revenue Code. Contributions to this type of plan are made on behalf of a beneficiary, and are to be used to pay qualified higher education expenses. While there are many 529 college savings plans available both in Indiana and nation-wide, only contributions made to the *CollegeChoice 529 education savings plan* are eligible for an Indiana tax credit.

Who must file Schedule IN-529R?
An owner of a *CollegeChoice 529 education savings plan* account who makes a non-qualified withdrawal during the year must repay all or a part of any Indiana tax credit allowed. The account owner must complete and attach Schedule IN-529R to his or her Indiana income tax return (Forms IT-40 or IT-40PNR).

Definitions
Account owner. The account owner is the individual or entity (such as a trust, estate, partnership, etc.) who has the right to select or change a beneficiary, and to control the distribution of the funds.

Contribution. A cash deposit made for the benefit of the account beneficiary.

Qualified withdrawal. This is a withdrawal or distribution from a CollegeChoice 529 education savings plan account that is made:
- to pay for qualified higher education expenses;
- because of the death or disability of an account beneficiary;
- because an account beneficiary received a scholarship that paid all or part of their qualified higher education expenses;
- because of a transfer of funds by the plan from one third party custodian to another.

Non-qualified withdrawal. This is a withdrawal or distribution from a CollegeChoice 529 education savings plan that is:
- not a qualified withdrawal;
- a withdrawal or distribution from an account that is closed within 12 months after the account is opened;
- a rollover distribution or transfer from the CollegeChoice 529 education savings plan to any other Code Sec. 529 plan.

For more definitions, visit the plan administrator's site at www.collegechoiceplan.com, and get Information Bulletin #98 at www.in.gov/dor/reference/bulletins/

(*Instructions continue on the next page.*)

Column A
Enter the account number(s) from which you made a non-qualified withdrawal(s). Attach additional sheets if you made non-qualified withdrawals from more than four accounts.

Column B
Enter the net amount of non-qualified withdrawal(s) made during the year for each account listed in Column A.

Example. John opened an account for his son. He made two $300 non-qualified withdrawals from this account during the year. He will enter $600 in Column B.

Column C
Multiply the amount in Column B by .20 (20 percent) and enter the result here.

Example. John multiplied the $600 from Column B by .20; he will enter the $120 result here.

Column D
Enter the total amount of credits previously allowed for each designated account.

Example. John claimed a $1,000 credit for the account listed in Column A; he will enter $1,000 in Column D.

Example. John's mother made a $400 contribution to the account listed in Column A, and claimed an $80 credit based on that contribution. John will enter $1,080 in Column D.

Column E, Lines 1 - 4
Enter the smaller of the amount(s) listed in Columns C or D for each line.