

## Deduction for higher education expenses and savings.

**Effective for tax years beginning on or after 01/01/2022**, provides the following tax benefits related to higher education expenses and savings: (1) a taxpayer with gross income of \$200,000 or less is permitted a deduction, not to exceed \$10,000, from the taxpayer's gross income for the taxable year in the amount of the taxpayer's contribution for the taxable year to an account established pursuant to the New Jersey Better Educational Savings Trust Program; (2) a taxpayer with gross income of \$200,000 or less is allowed a deduction, not to exceed \$2,500, from the taxpayer's gross income for the taxable year in the amount of principal and interest payments paid on a student loan under the New Jersey College Loans to Assist State Students Loan Program; and (3) a taxpayer with gross income of \$200,000 or less is allowed a deduction, not to exceed \$10,000, from the taxpayer's gross income for the taxable year in the amount the taxpayer paid to an in-state institution of higher education during the taxable year for tuition costs related to the taxpayer's enrollment or attendance at the institution of higher education or related to the enrollment or attendance of a spouse or dependent of the taxpayer at the institution. There are also technical corrections made to the treatment of Coverdell Savings Accounts.