



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenejem
Attorney General

Roger Johnson
Agriculture Commissioner

News Release

June 27, 2007

For immediate release

New North Dakota Bill provides tax incentives through College SAVE

In-state tax deduction and matching grant program benefit families saving for higher education expenses

BISMARCK – Gov. John Hoeven recently signed into law an enhancement that allows for an in-state tax deduction and funding for a matching grant program on behalf of North Dakota families saving for college through North Dakota’s 529 plan, College SAVE. Executives at Bank of North Dakota (BND), which serves as Trustee and administers the plan, and the Industrial Commission of North Dakota, welcomed passage of the bill.

“This is a great opportunity for families in North Dakota to start saving sooner rather than later,” said Gov. Hoeven. “Parents wanting to save for their children’s education will have even greater incentives to do so.”

Beginning with the 2007 tax year, North Dakota residents who make a contribution to a College SAVE account may take a state income tax deduction of up to \$5,000. Couples filing jointly could deduct as much as \$10,000 in contributions to the Plan. Additionally, BND championed a matching grant program of up to \$300 for College SAVE investors who earn less than \$20,000 annually (or \$40,000 for couples who file jointly). North Dakota joins 31 other states that currently offer a state income tax deduction on investments into 529 plans. The state income tax deduction and matching grant program may be subject to certain limitations established by Bank of North Dakota. Specific details regarding these limitations should be available in June, 2007.

“Parents and grandparents who are saving for college are taking an important step by investing in their children’s future,” said Attorney General Wayne Stenejem. “The passage of the in-state tax deduction shows that North Dakota supports those families in trying to reach their goals.”

The matching grant program will be funded by fees that BND collects on College SAVE.

Agriculture Commissioner Roger Johnson stated, “The matching grant program helps open the door to college savings for North Dakotans at these targeted income levels who may not traditionally save for college.”

Currently, nearly 11,000 families have saved \$330 million through College SAVE accounts. In November 2006, BND overhauled College SAVE, reduced expenses and expanded investment options by naming Upromise Investments, Inc., as plan manager, and The Vanguard Group as investment manager of the plan.

“The passage of House Bill 1091 provides a state income tax deduction, an additional incentive for families wanting to set money aside for future qualified higher education expenses,” said Eric Hardmeyer, BND president. “There is no better time than now to consider opening up a College SAVE account.”

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The nation's only state-owned bank, BND was established in 1919 to encourage and promote agriculture, commerce and industry in North Dakota. BND is overseen by the Industrial Commission of North Dakota, consisting of Gov. John Hoeven as chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Roger Johnson.

FURTHER INFORMATION:

Contact: Bank of North Dakota Director of Communications, James Barnhardt, 701-328-5882.

About Upromise Investments, Inc.:

Upromise Investments, Inc. who serves as the plan manager for College SAVE, is a registered broker-dealer, member of the NASD and SIPC, and is registered with the MSRB. The company is focused solely on providing 529 plan management and marketing services to state partners and families saving for college. In total, Upromise currently provides program management and administration services to over 1 million accounts with over \$17.5 billion in assets across direct, advisor and prepaid savings plans sponsored by nine separate states.

Upromise Investments affiliate, Upromise, Inc., provides a free rewards service, allowing more than eight million members nationwide to accumulate college savings when making eligible everyday purchases.

About Vanguard:

Vanguard, the investment manager for the College SAVE Plan, is one of the nation's most respected investment management firms and a leader in the 529 College Savings marketplace. Vanguard manages more than \$1.2 trillion in U.S. mutual fund assets, including offering investment options in 20 state 529 plans totaling over \$20 billion in assets

For more information about North Dakota's College SAVE Plan, call 1-866-SAVE-529 (1-866-728-3529) or visit www.collegesave4u.com to obtain a Plan Disclosure Statement. Investment objectives, risks, charges, expenses, and other important information are included in the Plan Disclosure Statement; read and consider it carefully before investing. Upromise Investments, Inc. serves as Distributor and Underwriter.

If you are not a North Dakota taxpayer, consider before investing whether you or the designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program.

The College SAVE Plan is a 529 Plan established by the State of North Dakota. Bank of North Dakota acts as trustee of the College SAVE Trust and is responsible for administering the Plan. Upromise Investments, Inc., and Upromise Investment Advisors, LLC serve as the Plan Manager and Recordkeeping and Servicing Agent, respectively, with overall responsibility for the day-to-day operations, including effecting transactions and marketing and distribution of the Plan. The Vanguard Group, Inc. provides underlying investments for the Plan. The Plan's Portfolios, although they invest in mutual funds, are not mutual funds. Units of the Portfolios are municipal fund securities and the value of units will vary with market conditions.

Investment returns are not guaranteed, and you could lose money by investing in the College SAVE Plan.

Not FDIC Insured. No Bank, State or Federal Guarantee. May Lose Value.