

529 Qualified vs. Non-Qualified Expenses – Colorado & Federal Rules

This checklist summarizes common 529 plan expenses and whether they are considered “Qualified” under federal rules and under Colorado state tax rules. Use it before making a withdrawal to avoid taxes and penalties.

EXPENSE	FEDERAL RULE	COLORADO STATE RULE
Tuition & Required Fees	Qualified	Qualified
Books, Supplies, Required Equipment	Qualified	Qualified
Computers, Peripherals & Internet (primarily for study)	Qualified	Qualified
Room & Board (enrolled at least half-time; within COA limits)	Qualified	Qualified
Registered Apprenticeship Program Costs	Qualified	Qualified
Professional Credentials, Licenses, & Certifications	Qualified	Qualified
K-12 Tuition (up to \$10k/year per student)	Qualified	Not Qualified
Student Loan Repayment (lifetime \$10k per person)	Qualified	Not Qualified
529 - Roth IRA Rollover (conditions apply)	Qualified	Pending State Legislation
Travel & Transportation	Not Qualified	Not Qualified
Insurance Premiums	Not Qualified	Not Qualified
Fraternity/Sorority Dues, Clubs, Sports Fees	Not Qualified	Not Qualified
Electronics & Personal Items (not required for coursework)	Not Qualified	Not Qualified
Room & Board above COA allowance	Not Qualified	Not Qualified

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