

(PRE-FILED)

By: **Delegate Taylor**
 Requested: September 13, 2004
 Introduced and read first time: January 12, 2005
 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification for Qualified Tuition Expenses at**
 3 **Public Universities**

4 FOR the purpose of allowing a subtraction modification equal to a certain percent of
 5 qualified tuition expenses at public universities; prohibiting the subtraction
 6 modification from being claimed by more than one taxpayer with respect to the
 7 same student; defining certain terms; providing for the application of this Act;
 8 and generally relating to a subtraction modification for qualified tuition
 9 expenses at public universities.

10 BY repealing and reenacting, without amendments,

- 11 Article - Tax - General
- 12 Section 10-208(a)
- 13 Annotated Code of Maryland
- 14 (2004 Replacement Volume)

15 BY adding to

- 16 Article - Tax - General
- 17 Section 10-208(q)
- 18 Annotated Code of Maryland
- 19 (2004 Replacement Volume)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Tax - General**

23 10-208.

24 (a) In addition to the modification under § 10-207 of this subtitle, the
 25 amounts under this section are subtracted from the federal adjusted gross income of
 26 a resident to determine Maryland adjusted gross income.

1 (Q) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
2 MEANINGS INDICATED.

3 (II) "PUBLIC UNIVERSITY" MEANS MORGAN STATE UNIVERSITY, ST.
4 MARY'S COLLEGE OF MARYLAND, OR AN INSTITUTION OF HIGHER EDUCATION THAT
5 IS A PART OF THE UNIVERSITY SYSTEM OF MARYLAND.

6 (III) "QUALIFIED TUITION EXPENSES" MEANS TUITION AND
7 MANDATORY FEES PAID BY OR ON BEHALF OF AN INDIVIDUAL ENROLLED IN A
8 PUBLIC UNIVERSITY.

9 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE
10 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES AN AMOUNT
11 EQUAL TO 5% OF QUALIFIED TUITION EXPENSES PAID BY A TAXPAYER DURING THE
12 TAXABLE YEAR.

13 (3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION
14 MAY NOT BE CLAIMED BY MORE THAN ONE TAXPAYER WITH RESPECT TO QUALIFIED
15 TUITION EXPENSES PAID BY OR ON BEHALF OF THE SAME INDIVIDUAL IN THE SAME
16 TAXABLE YEAR.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2005, and shall be applicable to taxable years beginning after December 31,
19 2004.