

HOUSE BILL 126

Unofficial Copy
Q3

1998 Regular Session
8lr0939

By: **Delegates Leopold, Heller, Cadden, and Mossburg**
Introduced and read first time: January 16, 1998
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Higher Education Investment Program - Income Tax Subtraction**
3 **Modification**

4 FOR the purpose of providing a subtraction modification under the Maryland income
5 tax for certain amounts included in federal adjusted gross income as a result of
6 a benefit furnished to a qualified beneficiary pursuant to a higher education
7 investment contract under the Maryland Higher Education Investment
8 Program; providing for the application of this Act; providing that the subtraction
9 does not apply to refunds issued under the Program; and generally relating to a
10 subtraction modification for amounts included in federal adjusted gross income
11 as a result of benefits furnished under the Maryland Higher Education
12 Investment Program.

13 BY repealing and reenacting, without amendments,
14 Article - Tax - General
15 Section 10-207(a)
16 Annotated Code of Maryland
17 (1997 Replacement Volume)

18 BY adding to
19 Article - Tax - General
20 Section 10-207(s)
21 Annotated Code of Maryland
22 (1997 Replacement Volume)

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

1

Article - Tax - General

2 10-207.

3 (a) To the extent included in federal adjusted gross income, the amounts under
4 this section are subtracted from the federal adjusted gross income of a resident to
5 determine Maryland adjusted gross income.

6 (S) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION
7 INCLUDES ANY AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A
8 RESULT OF A BENEFIT FURNISHED TO A QUALIFIED BENEFICIARY PURSUANT TO A
9 HIGHER EDUCATION INVESTMENT CONTRACT UNDER THE MARYLAND HIGHER
10 EDUCATION INVESTMENT PROGRAM.

11 (2) THE SUBTRACTION UNDER PARAGRAPH (1) OF THIS SUBSECTION
12 DOES NOT APPLY TO ANY AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS
13 INCOME AS A RESULT OF A REFUND ISSUED UNDER THE MARYLAND HIGHER
14 EDUCATION INVESTMENT PROGRAM.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 1998 and shall be applicable to all taxable years beginning after December 31,
17 1997.