

HOUSE BILL 257

Unofficial Copy  
Q3

1998 Regular Session  
8lr6180  
CF 8lr6179

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By: **The Speaker (Administration) and Delegates Rawlings, Shriver, Heller, Mossburg, Workman, Dembrow, Kopp, Marriott, Cadden, McIntosh, Rudolph, Slade, Miller, Proctor, W. Baker, Branch, Bonsack, Boston, Bozman, E. Burns, Crumlin, C. Davis, Doory, Edwards, Finifter, Franchot, Grosfeld, Harrison, Hecht, Howard, B. Hughes, Jones, Kach, Kagan, Krysiak, Love, McKee, Menes, C. Mitchell, Moe, Montague, T. Murphy, Nathan-Pulliam, Oaks, Petzold, Pitkin, Turner, and Walkup Walkup, Leopold, Healey, and Muse**

Introduced and read first time: January 28, 1998  
Assigned to: Ways and Means

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: February 24, 1998

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

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

1 Article - Tax - General  
2 Section 10-207(s)  
3 Annotated Code of Maryland  
4 (1997 Replacement Volume)

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

7 **Article - Tax - General**

8 10-207.

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

12 (S) (1) IN THIS SUBSECTION "TUITION" MEANS THE CHARGES IMPOSED BY  
13 AN INSTITUTION OF HIGHER EDUCATION FOR ENROLLMENT AT THE INSTITUTION  
14 AND INCLUDES REGISTRATION AND ALL FEES REQUIRED AS A CONDITION OF  
15 ENROLLMENT.

16 (2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
17 INCLUDES ANY AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A  
18 RESULT OF A BENEFIT FURNISHED TO A ~~QUALIFIED~~ BENEFICIARY PURSUANT TO A  
19 HIGHER EDUCATION INVESTMENT CONTRACT UNDER THE MARYLAND HIGHER  
20 EDUCATION INVESTMENT PROGRAM.

21 (3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION  
22 DOES NOT APPLY TO A REFUND UNDER THE MARYLAND HIGHER EDUCATION  
23 INVESTMENT PROGRAM UNLESS THE REFUND IS APPLIED ON BEHALF OF THE  
24 ~~QUALIFIED~~ BENEFICIARY TO THE COST OF TUITION AT AN INSTITUTION OF HIGHER  
25 EDUCATION.

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