

SENATE BILL 175

Unofficial Copy  
Q3

1998 Regular Session  
8lr6179  
CF 8lr6180

---

By: **The President (Administration) and Senators Kasemeyer, Hogan, Currie, Hollinger, Forehand, Blount, Boozer, Lawlah, McFadden, Middleton, Munson, Neall, Ruben, Van Hollen, Collins, Conway, Dyson, Pinsky, Sfikas, Astle, Della, Derr, Dorman, Fry, Green, Hafer, Hughes, Jimeno, Kelley, Middlebrooks, Roesser, Stone, Madden, and Trotter**

Introduced and read first time: January 23, 1998  
Assigned to: Budget and Taxation

---

Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: April 12, 1998

---

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  
19 Article - Tax - General  
20 Section 10-207(s)  
21 Annotated Code of Maryland

1 (1997 Replacement Volume)

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

4 **Article - Tax - General**

5 10-207.

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

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

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

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

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