

HOUSE BILL 28

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Q3

1999 Regular Session
9r0023
CF 9r0024

(PRE-FILED)

By: **Delegates Leopold, Heller, and Cadden**
Requested: July 20, 1998
Introduced and read first time: January 13, 1999
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

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

4 FOR the purpose of providing that a certain limitation on a subtraction modification
5 for certain payments made under a higher education investment contract in
6 accordance with the Maryland Higher Education Investment Program is
7 applicable to each higher education investment contract; allowing certain
8 amounts disallowed under the subtraction modification as a result of the
9 limitation to be carried over and subtracted for succeeding taxable years;
10 providing for the application of this Act; and generally relating to a subtraction
11 modification for payments made under the Maryland Higher Education
12 Investment Program.

13 BY repealing and reenacting, with amendments,
14 Article - Tax - General
15 Section 10-208(n)
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1998 Supplement)

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

20 **Article - Tax - General**

21 10-208.

22 (n) (1) The subtraction under subsection (a) of this section includes the
23 amount of advance payments of undergraduate tuition made by an individual
24 DURING THE TAXABLE YEAR as provided under a higher education investment
25 contract in accordance with the Maryland Higher Education Investment Program.

26 (2) [The] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, FOR EACH
27 HIGHER EDUCATION INVESTMENT CONTRACT, THE subtraction under paragraph (1)
28 of this subsection may not exceed \$2,500 for any taxable year.

1 (3) THE AMOUNT DISALLOWED AS A SUBTRACTION UNDER THIS
2 SUBSECTION FOR ANY TAXABLE YEAR AS A RESULT OF THE LIMITATION UNDER
3 PARAGRAPH (2) OF THIS SUBSECTION SHALL BE TREATED AS HAVING BEEN MADE IN
4 THE NEXT SUCCEEDING TAXABLE YEAR AND, SUBJECT TO THE \$2,500 ANNUAL
5 LIMITATION FOR EACH HIGHER EDUCATION INVESTMENT CONTRACT, MAY BE
6 CARRIED OVER TO SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE
7 ADVANCE PAYMENTS HAS BEEN ALLOWED AS A SUBTRACTION.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,
10 1998.