

HOUSE BILL 28
EMERGENCY BILL

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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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 2, 1999

CHAPTER _____

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 retroactive application of this Act; making this Act an
11 emergency measure; and generally relating to a subtraction modification for
12 payments made under the Maryland Higher Education 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:

1

Article - Tax - General

2 10-208.

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

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

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall ~~take effect~~
18 ~~July 1, 1999 and shall~~ be applicable to all taxable years beginning after December 31,
19 ~~1998~~ 1997.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an
21 emergency measure, is necessary for the immediate preservation of the public health
22 and safety, has been passed by a ye and nay vote supported by three-fifths of all the
23 members elected to each of the two Houses of the General Assembly, and shall take
24 effect from the date it is enacted.