

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 140

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 7, strike "tuition"; in the same line, after "state" insert "tuition"; and in line 32, strike "providing" and substitute "allowing".

On page 2, in line 3, strike "providing" and substitute "requiring"; and in line 4, strike "the Plan, subject to a certain limitation" and substitute "certain prepaid contracts and investment accounts; requiring an addition modification for certain refunds under certain prepaid contracts and investment accounts; allowing a subtraction modification for certain distributions under certain prepaid contracts and investment accounts".

AMENDMENT NO. 2

On page 2, in line 33, strike "10-205(i) and".

AMENDMENT NO. 3

On page 3, in line 25, strike "FAIR MARKET VALUE" and substitute "AMOUNT"; in line 26, strike "THE ASSETS OF THE PROGRAM PLUS THE"; and in line 27, after "PROGRAM" insert "PLUS THE FAIR MARKET VALUE OF OTHER ASSETS OF THE PROGRAM".

AMENDMENT NO. 4

On page 4, in line 2, strike "undergraduate or graduate tuition" and substitute "QUALIFIED HIGHER EDUCATION EXPENSES".

AMENDMENT NO. 5

On page 4, in line 8, strike "tuition"; in the same line, after "payments" insert "OF QUALIFIED HIGHER EDUCATION EXPENSES"; in line 9, strike "tuition" and substitute "QUALIFIED HIGHER EDUCATION EXPENSES".

(Over)

AMENDMENT NO. 6

On page 5, in line 20, strike “EDUCATIONAL”; in the same line, after “INSTITUTION” insert “OF HIGHER EDUCATION”; and in line 23, strike “DESIGNATED” and substitute “QUALIFIED”.

AMENDMENT NO. 7

On page 10, in line 2, strike “FAIR”; in line 3, strike the first “THE”; in line 6, strike “OWNERS” and substitute “PURCHASERS”; in line 8, strike “OWNERS” and substitute “PURCHASERS”; in line 20, after “BUDGET” insert “BILL”; in line 22, strike “FAIR”; and in line 25, strike “FAIR”.

AMENDMENT NO. 8

On page 11, in line 4, strike “HIGHER EDUCATION INVESTMENT” and substitute “PREPAID”.

AMENDMENT NO. 9

On page 13, in line 34, after the first “OF” insert “A”; and in the same line, strike the second “OF” and substitute “FROM”.

AMENDMENT NO. 10

On page 14, in line 21, strike “Is” and substitute “GRADUATES EARLY FROM COLLEGE OR IS”.

AMENDMENT NO. 11

On page 17, in line 7, strike “A COLLEGE” and substitute “AN”; in line 8, strike “PLAN”; and in the same line, after “A” insert “QUALIFIED”.

AMENDMENT NO. 12

On page 17, in line 25, strike “MARYLAND COLLEGE INVESTMENT”; in line 27, after the second “THE” insert “QUALIFIED”; in line 30, strike “MARYLAND COLLEGE INVESTMENT”; and in lines 31 and 32, strike “MARYLAND COLLEGE INVESTMENT”.

AMENDMENT NO. 13

On page 18, in line 14, after “EACH” insert “QUALIFIED”; and in line 24, strike

“MARYLAND COLLEGE INVESTMENT”.

AMENDMENT NO. 14

On page 19, in line 17, strike “SET” and substitute “ADOPT”; and in line 22, strike “MARYLAND COLLEGE INVESTMENT”.

AMENDMENT NO. 15

On page 20, in line 7, strike “EDUCATIONAL” and substitute “HIGHER EDUCATION”; in lines 11 and 12, strike “MARYLAND COLLEGE INVESTMENT”; in lines 18 and 19, strike “MARYLAND COLLEGE INVESTMENT”; in line 23, strike “COLLEGE”; in the same line, strike “PLAN”; and in line 25, after “THE” insert “QUALIFIED”.

AMENDMENT NO. 16

On page 20, after line 25, insert:

“(C) MONEYS OF THE PLAN MAY NOT BE CONSIDERED MONEYS OF THE STATE OR DEPOSITED IN THE STATE TREASURY.”;

in line 26, strike “(C)” and substitute “(D)”; in the same line, after the second “OF” insert “OR COMMINGLED WITH”; and in lines 27 and 28, strike “AND MAY NOT BE COMMINGLED WITH THE MARYLAND PREPAID COLLEGE TRUST”.

AMENDMENT NO. 17

On page 22, in line 14, after “(1)” insert “(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.”

(II) “CONTRIBUTOR” AND “QUALIFIED DESIGNATED BENEFICIARY” HAVE THE MEANINGS STATED IN § 18-19A-01 OF THE EDUCATION ARTICLE.

(III) “PURCHASER” AND “QUALIFIED BENEFICIARY” HAVE THE MEANINGS STATED IN § 18-1901 OF THE EDUCATION ARTICLE.

(Over)

(IV) “QUALIFIED HIGHER EDUCATION EXPENSES” HAS THE MEANING STATED IN § 529 OF THE INTERNAL REVENUE CODE.

(2)”;

in line 15, after “of” insert “;

(I)”;

in the same line, strike “by an individual”; in the same line, after “year” insert “BY A PURCHASER”; strike beginning with “that” in line 17 through “enrollment” in line 20 and substitute “OR A CONTRIBUTOR UNDER AN INVESTMENT ACCOUNT IN ACCORDANCE WITH THE MARYLAND COLLEGE INVESTMENT PLAN; OR

(II) ANY DISTRIBUTION RECEIVED IN THE TAXABLE YEAR BY A PURCHASER UNDER A PREPAID CONTRACT IN ACCORDANCE WITH THE MARYLAND PREPAID COLLEGE TRUST OR A CONTRIBUTOR UNDER AN INVESTMENT ACCOUNT IN ACCORDANCE WITH THE MARYLAND COLLEGE INVESTMENT PLAN THAT IS NOT USED ON BEHALF OF THE QUALIFIED BENEFICIARY OR QUALIFIED DESIGNATED BENEFICIARY FOR QUALIFIED HIGHER EDUCATION EXPENSES”;

in line 21, strike “(2)” and substitute “(3)”; in line 24, strike “(3)” and substitute “(4)”; in line 26, after “subtraction” insert “;

(I)”;

in line 27, strike “individual’s” and substitute “PURCHASER’S ”; in line 28, after “refund” insert “OR DISTRIBUTION”; and in the same line, after “received” insert “; OR

(II) UNDER §10-208(O) OF THIS SUBTITLE FOR THE TAXABLE YEAR AND ALL PRIOR TAXABLE YEARS FOR CONTRIBUTIONS MADE BY A CONTRIBUTOR TO AN INVESTMENT ACCOUNT UNDER WHICH THE REFUND OR DISTRIBUTION IS RECEIVED”.

On pages 22 and 23, strike beginning with line 29 on page 22 through line 10 on page 23.
AMENDMENT NO. 18

On page 23, in line 15, after “(1)” insert “(I)”; strike beginning with the comma in line 15 down through “enrollment” in line 17 and substitute “THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.”

(II) “QUALIFIED BENEFICIARY” HAS THE MEANING STATED IN § 18-1901 OF THE EDUCATION ARTICLE.

(III) “QUALIFIED DESIGNATED BENEFICIARY” HAS THE MEANING STATED IN § 18-19A-01 OF THE EDUCATION ARTICLE.

(IV) “QUALIFIED HIGHER EDUCATION EXPENSES” HAS THE MEANING STATED IN § 529 OF THE INTERNAL REVENUE CODE”;

in line 18, strike “The” and substitute “EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE”; in line 19, strike “benefit furnished” and substitute “DISTRIBUTION”; in the same line, after “to” insert “;

(I)”;

in line 20, after the first “a” insert “QUALIFIED”; in line 21, after “TRUST” insert “; OR

(II) A QUALIFIED DESIGNATED BENEFICIARY FROM AN INVESTMENT ACCOUNT UNDER THE MARYLAND COLLEGE INVESTMENT PLAN”;

in line 23, after “to” insert “;

(I)”;

and strike beginning with “unless” in line 24 down through “education” in line 25 and substitute “OR THE MARYLAND COLLEGE INVESTMENT PLAN; OR

(II) A DISTRIBUTION THAT IS NOT USED BY THE QUALIFIED

(Over)

BENEFICIARY OR QUALIFIED DESIGNATED BENEFICIARY FOR QUALIFIED HIGHER EDUCATION EXPENSES".

AMENDMENT NO. 19

On page 23, in line 30, after "(1)" insert "(I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) "PURCHASER" HAS THE MEANING STATED IN § 18-1901 OF THE EDUCATION ARTICLE.

(III) "QUALIFIED HIGHER EDUCATION EXPENSES" HAS THE MEANING STATED IN § 529 OF THE INTERNAL REVENUE CODE.

(2)";

in line 31, strike "undergraduate tuition" and substitute "QUALIFIED HIGHER EDUCATION EXPENSES"; in the same line, strike "an individual" and substitute "A PURCHASER"; in line 35, strike "(2)" and substitute "(3)"; in the same line, strike "(3)" and substitute "(4)"; in line 36, strike "(1)" and substitute "(2)"; in line 38, strike "(3)" and substitute "(4)"; and in line 39, strike "(2)" and substitute "(3)".

AMENDMENT NO. 20

On page 24, in line 19, strike "COLLEGE SAVINGS PLAN" and substitute "INVESTMENT".

AMENDMENT NO. 21

On page 25, in lines 4 and 5, strike "§§ 10-205(i) and 10-208(o)" and substitute "§§ 10-205(h), 10-207(s), and 10-208(n) and (o)".