

# SENATE BILL 45

Q3, F1

9lr0979

(PRE-FILED)

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By: **Senators Greenip, Harris, Pipkin, and Colburn**

Requested: November 13, 2008

Introduced and read first time: January 14, 2009

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Family Education Savings Account Act – Subtraction Modification for**  
3 **Contributions**

4 FOR the purpose of allowing a subtraction modification under the Maryland income  
5 tax for certain contributions to certain education savings accounts, subject to  
6 certain limitations; providing for the application of this Act; defining a certain  
7 term; and generally relating to a Maryland income tax subtraction modification  
8 for certain contributions to family education savings accounts.

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 10–208(a)  
12 Annotated Code of Maryland  
13 (2004 Replacement Volume and 2008 Supplement)

14 BY adding to  
15 Article – Tax – General  
16 Section 10–208(q)  
17 Annotated Code of Maryland  
18 (2004 Replacement Volume and 2008 Supplement)

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

21 **Article – Tax – General**

22 10–208.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (a) In addition to the modification under § 10–207 of this subtitle, the  
2 amounts under this section are subtracted from the federal adjusted gross income of a  
3 resident to determine Maryland adjusted gross income.

4           **(Q) (1) IN THIS SUBSECTION, “FAMILY EDUCATION SAVINGS**  
5 **ACCOUNT” MEANS A COVERDELL EDUCATION SAVINGS ACCOUNT AS DEFINED**  
6 **IN § 530 OF THE INTERNAL REVENUE CODE.**

7           **(2) SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (3) OF**  
8 **THIS SUBSECTION, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION**  
9 **INCLUDES THE AMOUNT CONTRIBUTED BY AN INDIVIDUAL DURING THE**  
10 **TAXABLE YEAR TO A FAMILY EDUCATION SAVINGS ACCOUNT IN ACCORDANCE**  
11 **WITH § 530 OF THE INTERNAL REVENUE CODE.**

12           **(3) (I) FOR ALL CONTRIBUTIONS TO FAMILY EDUCATION**  
13 **SAVINGS ACCOUNTS MADE BY AN INDIVIDUAL FOR ANY TAXABLE YEAR, THE**  
14 **SUBTRACTION UNDER THIS SUBSECTION MAY NOT EXCEED, IN THE AGGREGATE,**  
15 **\$1,000 FOR AN INDIVIDUAL OR \$2,000 FOR A MARRIED COUPLE FILING A JOINT**  
16 **INCOME TAX RETURN.**

17           **(II) THE SUBTRACTION UNDER THIS SUBSECTION MAY NOT**  
18 **BE CLAIMED FOR ANY TAXABLE YEAR IN WHICH THE TAXPAYER CLAIMS A**  
19 **SUBTRACTION UNDER SUBSECTION (N) OR (O) OF THIS SECTION.**

20           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 2009, and shall be applicable to all taxable years beginning after December 31,  
22 2008.