

Chapter 132

(House Bill 448)

AN ACT concerning

Maryland Achieving a Better Life Experience (ABLE) Program – Account Clarifications

FOR the purpose of clarifying that a certain amount may be contributed in each calendar year to an account for a disabled individual under the Maryland Achieving a Better Life Experience (ABLE) Program; providing that contributions to an ABLE account may not exceed a certain maximum amount; requiring the Maryland 529 Board to adopt certain procedures to ensure that certain contributions to ABLE accounts do not exceed a certain maximum limit; and generally relating to the Maryland ABLE Program.

BY repealing and reenacting, without amendments,
 Article – Education
 Section 18–19C–01(a) through (d) and (g)
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,
 Article – Education
 Section 18–19C–03(c) and 18–19C–09
 Annotated Code of Maryland
 (2014 Replacement Volume and 2016 Supplement)

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

Article – Education

18–19C–01.

- (a) In this subtitle the following words have the meanings indicated.
- (b) “ABLE account” means an account described under § 529A(e) of the Internal Revenue Code.
- (c) “ABLE account contributor” means an individual who contributes money to an ABLE account described under § 529A(e) of the Internal Revenue Code.
- (d) “ABLE account holder” means an individual who has established an account described under § 529A(e) of the Internal Revenue Code and is the designated beneficiary of the account.

(g) “Maryland ABLE Program” means a qualified ABLE program described in § 529A(b) of the Internal Revenue Code.

18–19C–03.

(c) (1) The Maryland ABLE Program is subject to the provisions of § 529A of the Internal Revenue Code.

(2) The Maryland ABLE Program shall include provisions for automatic contributions.

(3) Money and assets in the accounts established under the Maryland ABLE Program or an ABLE program in any other state may not be considered for the purpose of determining eligibility to receive, or the amount of, any assistance or benefits from local or State means–tested programs.

(4) Money and assets **CONTRIBUTED** in **EACH CALENDAR YEAR TO** the account of each ABLE account holder may not exceed the amount specified in § 2503(b) of the Internal Revenue Code for each calendar year in which the taxable year begins.

(5) CONTRIBUTIONS TO THE ACCOUNT OF EACH ABLE ACCOUNT HOLDER MAY NOT EXCEED THE MAXIMUM AMOUNT DETERMINED BY THE BOARD TO BE IN ACCORDANCE WITH § 529A(B)(6) OF THE INTERNAL REVENUE CODE.

18–19C–09.

(a) The Board shall issue refunds as specified in this section.

(b) If the contribution of an ABLE account contributor under the Maryland ABLE Program would result in aggregate contributions from all contributors to the ABLE account for the taxable year exceeding the amount specified in § 2503(b) of the Internal Revenue Code for each calendar year in which the taxable year begins, the Board shall issue a refund to the ABLE account contributor.

(C) THE BOARD SHALL ADOPT PROCEDURES TO ENSURE THAT CONTRIBUTIONS TO THE ACCOUNT OF EACH ABLE ACCOUNT HOLDER DO NOT EXCEED THE TOTAL MAXIMUM AMOUNT DETERMINED UNDER § 529A(B)(6) OF THE INTERNAL REVENUE CODE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 11, 2017.