

SENATE BILL 88

F2, Q3

9lr0141
CF HB 41

By: **The President (By Request – Administration)**

Introduced and read first time: January 11, 2019

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Student Debt Relief Act of 2019**

3 FOR the purpose of establishing a Maryland Promise Plus Scholarship program; providing
4 for the purpose of the program; requiring the Office of Student Financial Assistance
5 in the Maryland Higher Education Commission to publicize the availability of
6 certain scholarships; requiring the Office annually to select and offer a certain
7 scholarship award to certain applicants; establishing the eligibility requirements for
8 receiving a certain scholarship; requiring certain institutions of higher education to
9 assist certain applicants with a certain application on request; requiring the
10 scholarship award to be not more than a certain amount beginning in a certain
11 academic year; specifying how certain financial aid shall be credited to the tuition of
12 a scholarship recipient; specifying the priority for initial and subsequent scholarship
13 awards; requiring certain notification to certain eligible applicants; prohibiting
14 receipt of a scholarship award unless the recipient signs a certain agreement;
15 providing for the duration of the scholarship award; authorizing the Office to extend
16 the duration of the scholarship award under certain circumstances; establishing the
17 requirements for a recipient to hold a scholarship award; requiring the scholarship
18 award to be converted to a student loan under certain circumstances; authorizing
19 the Office to waive or defer repayment of a certain student loan under certain
20 circumstances; requiring the Commission to adopt certain regulations; requiring the
21 Commission to report certain information to the General Assembly on or before
22 certain dates; increasing the maximum amount of a subtraction modification under
23 the State income tax for a certain amount of advance payments made in accordance
24 with a prepaid contract for qualified higher education expenses; increasing the
25 maximum amount of a subtraction modification for certain contributions made to
26 certain investment accounts; allowing a subtraction modification under the State
27 income tax for a certain amount of interest paid by a qualified taxpayer on certain
28 student loans; requiring the Comptroller to adopt certain regulations; defining
29 certain terms; and generally relating to higher education costs and student debt
30 relief.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY adding to
2 Article – Education
3 Section 18–3701 through 18–3707 to be under the new subtitle “Subtitle 37.
4 Maryland Promise Plus Scholarships”
5 Annotated Code of Maryland
6 (2018 Replacement Volume and 2018 Supplement)
- 7 BY repealing and reenacting, without amendments,
8 Article – Tax – General
9 Section 10–208(a)
10 Annotated Code of Maryland
11 (2016 Replacement Volume and 2018 Supplement)
- 12 BY repealing and reenacting, with amendments,
13 Article – Tax – General
14 Section 10–208(n) and (o)
15 Annotated Code of Maryland
16 (2016 Replacement Volume and 2018 Supplement)
- 17 BY adding to
18 Article – Tax – General
19 Section 10–208(y)
20 Annotated Code of Maryland
21 (2016 Replacement Volume and 2018 Supplement)

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

24 **Article – Education**

25 **SUBTITLE 37. MARYLAND PROMISE PLUS SCHOLARSHIPS.**

26 **18–3701.**

27 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
28 **INDICATED.**

29 **(B) “ANNUAL ADJUSTED GROSS INCOME” MEANS THE TOTAL OF THE**
30 **COMBINED ADJUSTED GROSS INCOME OF THE APPLICANT AND THE APPLICANT’S**
31 **PARENTS, OR THE APPLICANT AND THE APPLICANT’S SPOUSE IF THE APPLICANT IS**
32 **MARRIED, AS REPORTED ON THE MOST RECENT FEDERAL OR STATE INCOME TAX**
33 **RETURN.**

34 **(C) “ELIGIBLE INSTITUTION” MEANS:**

35 **(1) EACH PUBLIC SENIOR HIGHER EDUCATION INSTITUTION**

1 IDENTIFIED IN § 10–101 OF THIS ARTICLE; OR

2 (2) EACH CENTER OR INSTITUTE IDENTIFIED IN § 12–101 OF THIS
3 ARTICLE.

4 (D) (1) “TUITION” MEANS THE CHARGES IMPOSED BY AN ELIGIBLE
5 INSTITUTION FOR ENROLLMENT AT THE INSTITUTION.

6 (2) “TUITION” INCLUDES ANY FEES FOR:

7 (I) REGISTRATION;

8 (II) APPLICATION;

9 (III) ADMINISTRATION;

10 (IV) LABORATORY WORK; AND

11 (V) OTHER MANDATORY FEES.

12 18–3702.

13 (A) THERE IS A PROGRAM OF MARYLAND PROMISE PLUS SCHOLARSHIPS
14 IN THE STATE THAT ARE AWARDED UNDER THIS SUBTITLE.

15 (B) THE PURPOSE OF THE PROGRAM IS TO PROVIDE TUITION ASSISTANCE
16 FOR STUDENTS TO ATTEND AN ELIGIBLE INSTITUTION IN THE STATE.

17 (C) THE OFFICE SHALL PUBLICIZE THE AVAILABILITY OF MARYLAND
18 PROMISE PLUS SCHOLARSHIPS.

19 18–3703.

20 (A) (1) A STUDENT MUST APPLY ANNUALLY TO THE COMMISSION TO
21 RECEIVE A MARYLAND PROMISE PLUS SCHOLARSHIP AWARD.

22 (2) THE OFFICE ANNUALLY SHALL SELECT ELIGIBLE APPLICANTS
23 AND OFFER A MARYLAND PROMISE PLUS SCHOLARSHIP AWARD TO EACH SELECTED
24 APPLICANT TO BE USED FOR TUITION AT AN ELIGIBLE INSTITUTION OF THE
25 APPLICANT’S CHOICE.

26 (B) AN APPLICANT IS ELIGIBLE FOR A MARYLAND PROMISE PLUS
27 SCHOLARSHIP IF THE APPLICANT:

1 **(1) IS ELIGIBLE FOR IN-STATE TUITION;**

2 **(2) IS A STUDENT AT A COMMUNITY COLLEGE IN THE STATE;**

3 **(3) HAS MAINTAINED A CUMULATIVE GRADE POINT AVERAGE OF AT**
4 **LEAST 2.5 ON A 4.0 SCALE OR THE EQUIVALENT WHILE A STUDENT AT A COMMUNITY**
5 **COLLEGE IN THE STATE;**

6 **(4) WILL HAVE EARNED AN ASSOCIATE DEGREE FROM A COMMUNITY**
7 **COLLEGE IN THE STATE BY THE END OF THE SEMESTER IN WHICH THE APPLICANT**
8 **PLANS TO TRANSFER;**

9 **(5) HAS BEEN ACCEPTED FOR ADMISSION TO AN ELIGIBLE**
10 **INSTITUTION;**

11 **(6) INTENDS TO ENROLL AT AN ELIGIBLE INSTITUTION TO COMPLETE**
12 **A BACHELOR'S DEGREE PROGRAM;**

13 **(7) IN THE CASE OF AN INDIVIDUAL REQUIRED TO REGISTER WITH**
14 **THE SELECTIVE SERVICE SYSTEM, HAS COMPLIED WITH THE REGISTRATION**
15 **REQUIREMENT;**

16 **(8) HAS AN ANNUAL ADJUSTED GROSS INCOME OF NOT MORE THAN:**

17 **(i) \$100,000 IF THE APPLICANT IS SINGLE OR RESIDES IN A**
18 **SINGLE-PARENT HOUSEHOLD; OR**

19 **(ii) \$150,000 IF THE APPLICANT IS MARRIED OR RESIDES IN A**
20 **TWO-PARENT HOUSEHOLD;**

21 **(9) ENROLLS IN AT LEAST 12 CREDITS PER SEMESTER AT THE**
22 **ELIGIBLE INSTITUTION; AND**

23 **(10) (i) TIMELY SUBMITS A FREE APPLICATION FOR FEDERAL**
24 **STUDENT AID (FAFSA) OR ANY OTHER APPLICATION FOR ANY STATE OR FEDERAL**
25 **STUDENT FINANCIAL AID, OTHER THAN A STUDENT LOAN, FOR WHICH THE**
26 **APPLICANT MAY QUALIFY; OR**

27 **(ii) IS INELIGIBLE TO SUBMIT A FAFSA, QUALIFIES FOR**
28 **IN-STATE TUITION UNDER § 15-106.8 OF THIS ARTICLE, AND TIMELY SUBMITS AN**
29 **APPLICATION FOR ANY STATE STUDENT FINANCIAL AID, OTHER THAN A STUDENT**
30 **LOAN, FOR WHICH THE APPLICANT MAY QUALIFY.**

1 **(C) (1) AN APPLICANT WHO RECEIVES ANY OTHER EDUCATION GRANTS**
2 **OR SCHOLARSHIPS THAT COVER THE APPLICANT'S FULL COST OF ATTENDANCE AT**
3 **THE ELIGIBLE INSTITUTION IS INELIGIBLE TO RECEIVE AN AWARD UNDER THIS**
4 **SUBTITLE.**

5 **(2) AN APPLICANT IS INELIGIBLE TO RECEIVE AN AWARD UNDER THIS**
6 **SUBTITLE IF THE APPLICANT:**

7 **(I) HAS EARNED A BACHELOR'S DEGREE; OR**

8 **(II) 1. HAS EARNED AN ASSOCIATE DEGREE; AND**

9 **2. IS NOT A STUDENT AT A COMMUNITY COLLEGE IN THE**
10 **STATE WHO INTENDS TO ENROLL AT AN ELIGIBLE INSTITUTION TO COMPLETE A**
11 **BACHELOR'S DEGREE PROGRAM.**

12 **(D) ON REQUEST, THE ELIGIBLE INSTITUTION SHALL ASSIST AN APPLICANT**
13 **IN SUBMITTING A FAFSA OR ANY OTHER APPLICATION FOR STATE OR FEDERAL**
14 **STUDENT FINANCIAL AID.**

15 **18-3704.**

16 **(A) BEGINNING IN THE 2020-2021 ACADEMIC YEAR, THE ANNUAL**
17 **SCHOLARSHIP AWARD SHALL BE NOT MORE THAN \$10,000 PER RECIPIENT, OR**
18 **ACTUAL TUITION, WHICHEVER IS LESS.**

19 **(B) (1) ANY STUDENT FINANCIAL AID, OTHER THAN A STUDENT LOAN,**
20 **RECEIVED BY THE RECIPIENT SHALL BE CREDITED TO THE RECIPIENT'S TUITION**
21 **BEFORE THE CALCULATION OF ANY AWARD AMOUNT PROVIDED UNDER THIS**
22 **SUBTITLE.**

23 **(2) (I) 1. INITIAL AWARDS SHALL BE PROVIDED TO RECIPIENTS**
24 **BASED ON GREATEST DEMONSTRATED FINANCIAL NEED.**

25 **2. PRIORITY FOR AWARDS IN SUBSEQUENT YEARS**
26 **SHALL BE GIVEN TO PRIOR YEAR RECIPIENTS WHO REMAIN ELIGIBLE FOR THE**
27 **PROGRAM.**

28 **(II) ELIGIBLE APPLICANTS WHO DO NOT RECEIVE AN AWARD**
29 **UNDER THIS SUBTITLE SHALL BE NOTIFIED AND PLACED ON A WAITING LIST.**

1 **(C) AN AWARD UNDER THIS SUBTITLE MAY BE MADE ONLY IF A RECIPIENT**
2 **SIGNS AN AGREEMENT AT THE TIME OF THE INITIAL AWARD TO:**

3 **(1) USE AN ADDRESS IN THE STATE ON THE RECIPIENT'S STATE**
4 **INCOME TAX RETURN AND COMMENCE FULL-TIME EMPLOYMENT IN THE STATE**
5 **WITHIN 1 YEAR AFTER COMPLETION OF THE BACHELOR'S DEGREE PROGRAM;**

6 **(2) CONTINUE TO USE AN ADDRESS IN THE STATE ON THE**
7 **RECIPIENT'S STATE INCOME TAX RETURN AND MAINTAIN EMPLOYMENT IN THE**
8 **STATE FOR AT LEAST 1 YEAR FOR EACH YEAR THAT THE SCHOLARSHIP WAS**
9 **AWARDED; AND**

10 **(3) HAVE THE SCHOLARSHIP AWARD CONVERTED TO A STUDENT**
11 **LOAN PAYABLE TO THE STATE IF THE RECIPIENT FAILS TO FULFILL THE SERVICE**
12 **OBLIGATION REQUIRED IN ITEMS (1) AND (2) OF THIS SUBSECTION.**

13 **(D) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**
14 **EACH RECIPIENT MAY HOLD THE AWARD UNTIL THE EARLIER OF:**

15 **(I) 3 YEARS AFTER FIRST ENROLLING AS A CANDIDATE FOR A**
16 **BACHELOR'S DEGREE AT AN ELIGIBLE INSTITUTION; OR**

17 **(II) THE DATE THAT THE INDIVIDUAL IS AWARDED A**
18 **BACHELOR'S DEGREE.**

19 **(2) THE OFFICE MAY EXTEND THE DURATION OF AN AWARD FOR AN**
20 **ALLOWABLE INTERRUPTION OF STUDY IF THE RECIPIENT PROVIDES TO THE OFFICE**
21 **SATISFACTORY EVIDENCE OF EXTENUATING CIRCUMSTANCES THAT PREVENT THE**
22 **RECIPIENT FROM CONTINUOUS ENROLLMENT.**

23 **(3) EACH RECIPIENT MAY HOLD THE AWARD IN ACCORDANCE WITH**
24 **PARAGRAPH (1) OF THIS SUBSECTION ONLY IF THE RECIPIENT:**

25 **(I) CONTINUES TO BE ELIGIBLE FOR IN-STATE TUITION;**

26 **(II) CONTINUES TO ENROLL IN AND COMPLETE AT LEAST 12**
27 **CREDITS PER SEMESTER OR THE EQUIVALENT AS DETERMINED BY THE OFFICE;**

28 **(III) MAINTAINS A CUMULATIVE GRADE POINT AVERAGE OF AT**
29 **LEAST 2.5 ON A 4.0 SCALE OR THE EQUIVALENT FOR THE REMAINDER OF THE AWARD**
30 **OR, FAILING TO DO SO, PROVIDES TO THE OFFICE SATISFACTORY EVIDENCE OF**
31 **EXTENUATING CIRCUMSTANCES;**

1 (IV) MAKES SATISFACTORY PROGRESS TOWARD A BACHELOR'S
2 DEGREE;

3 (V) CONTINUES TO MEET THE INCOME LIMITATIONS UNDER §
4 18-3703(B)(8) OF THIS SUBTITLE; AND

5 (VI) CONTINUES TO TIMELY SUBMIT AN APPLICATION UNDER §
6 18-3703(B)(10) OF THIS SUBTITLE.

7 (E) (1) IF THE RECIPIENT DOES NOT PERFORM THE SERVICE OBLIGATION
8 REQUIRED UNDER SUBSECTION (C) OF THIS SECTION, THE SCHOLARSHIP AWARD
9 SHALL BE CONVERTED INTO A STUDENT LOAN.

10 (2) THE OFFICE MAY WAIVE OR DEFER REPAYMENT OF THE STUDENT
11 LOAN IF THE RECIPIENT PROVIDES SATISFACTORY EVIDENCE OF EXTENUATING
12 CIRCUMSTANCES THAT PREVENT THE RECIPIENT FROM FULFILLING THE SERVICE
13 OBLIGATION.

14 18-3705.

15 BEGINNING IN FISCAL YEAR 2021, SUBJECT TO THE AVAILABILITY OF FUNDS
16 IN THE STATE BUDGET FOR THE COMMISSION, THE COMMISSION SHALL DISBURSE
17 FUNDS FOR THE MARYLAND PROMISE PLUS SCHOLARSHIPS UNDER THIS SUBTITLE.

18 18-3706.

19 (A) THE COMMISSION SHALL ADOPT REGULATIONS NECESSARY TO
20 IMPLEMENT THE PROVISIONS OF THIS SUBTITLE.

21 (B) THE REGULATIONS SHALL INCLUDE THE TERMS AND CONDITIONS FOR
22 REPAYMENT OF ANY AWARD AMOUNT THAT IS CONVERTED TO A LOAN UNDER §
23 18-3704 OF THIS SUBTITLE.

24 18-3707.

25 ON OR BEFORE DECEMBER 1, 2020, AND EACH DECEMBER 1 THEREAFTER,
26 THE COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE
27 WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE IMPLEMENTATION
28 OF THE MARYLAND PROMISE PLUS SCHOLARSHIP PROGRAM, INCLUDING:

29 (1) THE NUMBER OF APPLICANTS WHO RECEIVED A MARYLAND
30 PROMISE PLUS SCHOLARSHIP IN THE ACADEMIC YEAR;

1 (I) **\$3,750 FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER**
2 **31, 2018, BUT BEFORE JANUARY 1, 2020; OR**

3 (II) **\$5,000 for any taxable year BEGINNING AFTER DECEMBER**
4 **31, 2019.**

5 (4) The amount disallowed as a subtraction under this subsection for any
6 taxable year as a result of the limitation under paragraph (3) of this subsection shall be
7 treated as having been made in the next succeeding taxable year and, subject to the
8 **[\$2,500] annual limitation UNDER PARAGRAPH (3) OF THIS SUBSECTION** for each
9 prepaid contract, may be carried over to succeeding taxable years until the full amount of
10 the advance payments has been allowed as a subtraction.

11 (5) (I) 1. IF AN INDIVIDUAL'S FEDERAL ADJUSTED GROSS
12 INCOME FOR THE TAXABLE YEAR EXCEEDS \$91,000, THE SUBTRACTION OTHERWISE
13 ALLOWED UNDER THIS SECTION SHALL BE REDUCED BY 5% FOR EACH \$1,000 OR
14 FRACTION OF \$1,000 BY WHICH THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS
15 INCOME EXCEEDS \$91,000.

16 2. IF AN INDIVIDUAL'S FEDERAL ADJUSTED GROSS
17 INCOME FOR THE TAXABLE YEAR EQUALS OR EXCEEDS \$100,000, THE SUBTRACTION
18 ALLOWED UNDER THIS SECTION MAY NOT EXCEED \$2,500.

19 (II) 1. IF A MARRIED COUPLE FILES A JOINT RETURN WITH A
20 FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR THAT EXCEEDS
21 \$141,000, THE SUBTRACTION OTHERWISE ALLOWED UNDER THIS SECTION SHALL
22 BE REDUCED BY 5% FOR EACH \$1,000 OR FRACTION OF \$1,000 BY WHICH THE
23 COUPLE'S FEDERAL ADJUSTED GROSS INCOME EXCEEDS \$141,000.

24 2. IF A MARRIED COUPLE FILES A JOINT RETURN WITH A
25 FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR THAT EQUALS OR
26 EXCEEDS \$150,000, THE SUBTRACTION ALLOWED UNDER THIS SECTION MAY NOT
27 EXCEED \$2,500.

28 (o) (1) (i) In this subsection the following words have the meanings
29 indicated.

30 (ii) "Account holder" means an account holder as defined in §
31 18-19A-01 or § 18-19B-01 of the Education Article.

32 (iii) "Contributor" means an individual who contributes funds to a
33 Maryland Senator Edward J. Kasemeyer College Investment Plan or Broker-Dealer
34 College Investment Plan account under Title 18, Subtitle 19A or Subtitle 19B of the
35 Education Article.

1 (iv) "Investment account" means an investment account as defined
2 in § 18-19A-01 or § 18-19B-01 of the Education Article.

3 (v) "Qualified designated beneficiary" means a qualified designated
4 beneficiary as defined in § 18-19A-01 or § 18-19B-01 of the Education Article.

5 (2) (i) Except as provided in subparagraph (ii) of this paragraph and
6 subject to the limitation under paragraph (3) of this subsection, the subtraction under
7 subsection (a) of this section includes the amount contributed by an account holder or a
8 contributor during the taxable year to an investment account.

9 (ii) The subtraction under subparagraph (i) of this paragraph may
10 not be taken if the account holder received a State contribution under § 18-19A-04.1 of the
11 Education Article during the taxable year.

12 (3) (i) Subject to [paragraph] **PARAGRAPHS (4) AND (5)** of this
13 subsection, for each account holder or contributor for all investment accounts maintained
14 in the Maryland Senator Edward J. Kasemeyer College Investment Plan and the Maryland
15 Broker-Dealer College Investment Plan for the same qualified designated beneficiary, the
16 subtraction under paragraph (2) of this subsection may not exceed **[\$2,500] THE**
17 **FOLLOWING AMOUNT FOR EACH QUALIFIED DESIGNATED BENEFICIARY:**

18 **1. \$3,750 FOR A TAXABLE YEAR BEGINNING AFTER**
19 **DECEMBER 31, 2018, BUT BEFORE JANUARY 1, 2020; OR**

20 **2. \$5,000 for any taxable year [per qualified designated**
21 **beneficiary] BEGINNING AFTER DECEMBER 31, 2019.**

22 (ii) For purposes of the limitation under this paragraph, each spouse
23 on a joint return shall be treated separately.

24 (4) Subject to the **[\$2,500]** annual limitation **UNDER PARAGRAPH (3) OF**
25 **THIS SUBSECTION**, for each account holder or contributor for each qualified designated
26 beneficiary, the amount disallowed as a subtraction under this subsection for any taxable
27 year as a result of the limitation under paragraph (3) of this subsection may be carried over
28 until used to the next 10 succeeding taxable years as a subtraction.

29 **(5) (I) 1. IF AN INDIVIDUAL'S FEDERAL ADJUSTED GROSS**
30 **INCOME FOR THE TAXABLE YEAR EXCEEDS \$91,000, THE SUBTRACTION OTHERWISE**
31 **ALLOWED UNDER THIS SUBSECTION SHALL BE REDUCED BY 5% FOR EACH \$1,000**
32 **OR FRACTION OF \$1,000 BY WHICH THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS**
33 **INCOME EXCEEDS \$91,000.**

34 **2. IF AN INDIVIDUAL'S FEDERAL ADJUSTED GROSS**

1 INCOME FOR THE TAXABLE YEAR EQUALS OR EXCEEDS \$100,000, THE SUBTRACTION
2 ALLOWED UNDER THIS SUBSECTION MAY NOT EXCEED \$2,500.

3 (II) 1. IF A MARRIED COUPLE FILES A JOINT RETURN WITH A
4 FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR THAT EXCEEDS
5 \$141,000, THE SUBTRACTION OTHERWISE ALLOWED UNDER THIS SUBSECTION
6 SHALL BE REDUCED BY 5% FOR EACH \$1,000 OR FRACTION OF \$1,000 BY WHICH THE
7 COUPLE'S FEDERAL ADJUSTED GROSS INCOME EXCEEDS \$141,000.

8 2. IF A MARRIED COUPLE FILES A JOINT RETURN WITH A
9 FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR THAT EQUALS OR
10 EXCEEDS \$150,000, THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION MAY
11 NOT EXCEED \$2,500.

12 (Y) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
13 MEANINGS INDICATED.

14 (II) "INSTITUTION OF HIGHER EDUCATION" MEANS AN
15 INSTITUTION OF POSTSECONDARY EDUCATION THAT AWARDS DEGREES AT THE
16 ASSOCIATE, BACCALAUREATE, OR GRADUATE-LEVEL.

17 (III) "QUALIFIED STUDENT LOAN" MEANS A LOAN INCURRED TO
18 ATTEND AND RECEIVE AN ASSOCIATE, BACCALAUREATE, OR GRADUATE-LEVEL
19 DEGREE FROM AN INSTITUTION OF HIGHER EDUCATION.

20 (IV) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WHO:

21 1. IS A RESIDENT; AND

22 2. MAKES PAYMENTS ON A QUALIFIED STUDENT LOAN
23 DURING THE TAXABLE YEAR.

24 (2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE
25 SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES AN AMOUNT
26 EQUAL TO:

27 1. 50% OF THE INTEREST PAID ON A QUALIFIED
28 STUDENT LOAN BY THE QUALIFIED TAXPAYER DURING A TAXABLE YEAR BEGINNING
29 AFTER DECEMBER 31, 2018, BUT BEFORE JANUARY 1, 2020; OR

30 2. 100% OF THE INTEREST PAID ON A QUALIFIED
31 STUDENT LOAN BY THE QUALIFIED TAXPAYER DURING A TAXABLE YEAR BEGINNING
32 AFTER DECEMBER 31, 2019.

1 **(II) 1. IF AN INDIVIDUAL'S FEDERAL ADJUSTED GROSS**
2 **INCOME FOR THE TAXABLE YEAR EXCEEDS \$91,000, THE SUBTRACTION OTHERWISE**
3 **ALLOWED UNDER THIS SECTION SHALL BE REDUCED BY 10% FOR EACH \$1,000 OR**
4 **FRACTION OF \$1,000 BY WHICH THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS**
5 **INCOME EXCEEDS \$91,000.**

6 **2. IF A MARRIED COUPLE FILES A JOINT RETURN WITH A**
7 **FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR THAT EXCEEDS**
8 **\$141,000, THE SUBTRACTION OTHERWISE ALLOWED UNDER THIS SECTION SHALL**
9 **BE REDUCED BY 10% FOR EACH \$1,000 OR FRACTION OF \$1,000 BY WHICH THE**
10 **COUPLE'S FEDERAL ADJUSTED GROSS INCOME EXCEEDS \$141,000.**

11 **(3) (I) THE COMPTROLLER SHALL ADOPT REGULATIONS TO**
12 **CARRY OUT THE PROVISIONS OF THIS SECTION.**

13 **(II) THE REGULATIONS SHALL ESTABLISH THE REQUIREMENTS**
14 **FOR A QUALIFIED TAXPAYER TO PROVIDE PROOF OF PAYMENT OF INTEREST ON THE**
15 **QUALIFIED STUDENT LOAN.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
17 1, 2019.