

(i) under § 10-208(n) of this subtitle for the taxable year and all prior taxable years for the account holder's payments to the prepaid contract under which the refund or distribution is received; or

(ii) under § 10-208(o) of this subtitle for the taxable year and all prior taxable years for contributions made by an account holder to an investment account under which the [refund or] distribution is received.

10-207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(s) (1) (i) In this subsection 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 and 18-19B-01~~ **MEANS A QUALIFIED DESIGNATED BENEFICIARY AS DEFINED IN § 18-19A-01 OR § 18-19B-01** of the Education Article.

(iv) "Qualified higher education expenses" has the meaning stated in § 529 of the Internal Revenue Code.

(2) Except as provided in paragraph (3) of this subsection, the subtraction under subsection (a) of this section includes any amount included in federal adjusted gross income as a result of a distribution to:

(i) a qualified beneficiary pursuant to a prepaid contract under the Maryland Prepaid College Trust; [or]

(ii) a qualified designated beneficiary from an investment account under the Maryland College Investment Plan; OR

**(III) A QUALIFIED DESIGNATED BENEFICIARY FROM AN INVESTMENT ACCOUNT UNDER THE MARYLAND BROKER-DEALER COLLEGE INVESTMENT PLAN.**

(3) The subtraction under paragraph (2) of this subsection does not apply to: