

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 28.

This bill modifies the current subtraction modification for the individual income tax for contributions made toward a Maryland Higher Education Investment Contract. The purchaser may subtract up to \$2,500 each year until the full value of the contract has been allowed as a subtraction. The bill also provides that the subtraction modification applies to each prepaid tuition contract purchased.

Senate Bill 8, which was passed by the General Assembly and signed by me on April 8, 1999, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 28.

Sincerely,
Parris N. Glendening
Governor

House Bill 28

AN ACT concerning

Maryland Higher Education Investment Program - Income Tax Subtraction Modification for Contributions

FOR the purpose of providing that a certain limitation on a subtraction modification for certain payments made under a higher education investment contract in accordance with the Maryland Higher Education Investment Program is applicable to each higher education investment contract; allowing certain amounts disallowed under the subtraction modification as a result of the limitation to be carried over and subtracted for succeeding taxable years; providing for the retroactive application of this Act; making this Act an emergency measure; and generally relating to a subtraction modification for payments made under the Maryland Higher Education Investment Program.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-208(n)

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)

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

Article - Tax - General

10-208.

(n) (1) The subtraction under subsection (a) of this section includes the amount of advance payments of undergraduate tuition made by an individual