

PREPAID contract, may be carried over to succeeding taxable years until the full amount of the advance payments has been allowed as a subtraction.

(O) (1) IN THIS SUBSECTION, "INVESTMENT ACCOUNT", "QUALIFIED DESIGNATED BENEFICIARY", "CONTRIBUTOR", AND "QUALIFIED HIGHER EDUCATION EXPENSES" HAVE THE MEANINGS STATED IN § 18-19A-01 OF THE EDUCATION ARTICLE.

(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT CONTRIBUTED BY A CONTRIBUTOR DURING THE TAXABLE YEAR TO AN INVESTMENT ACCOUNT.

(3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, FOR EACH INVESTMENT ACCOUNT, THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY NOT EXCEED \$2,500 FOR ANY TAXABLE YEAR.

(4) THE AMOUNT DISALLOWED AS A SUBTRACTION UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR AS A RESULT OF THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL BE TREATED AS HAVING BEEN CONTRIBUTED IN THE NEXT 10 SUCCEEDING TAXABLE YEARS AND, SUBJECT TO THE \$2,500 ANNUAL LIMITATION FOR EACH ~~COLLEGE SAVINGS PLAN~~ INVESTMENT ACCOUNT, MAY BE CARRIED OVER TO SUCCEEDING TAXABLE YEARS AS A SUBTRACTION.

Chapter 110 of the Acts of 1997

SECTION 5. AND BE IT FURTHER ENACTED, That [any] THE TOTALITY OF THE MARKETING efforts undertaken by the Maryland Higher Education Investment [Program] Board to market the Maryland [Higher Education Investment Program] PREPAID COLLEGE TRUST must include full disclosure that the contract entered into under the provisions of this Act does not guarantee that the earnings of the assets invested in the Program will generate the difference between the projected costs of tuition under the contract and the actual costs at the time of enrollment.

Chapter 111 of the Acts of 1997

SECTION 5. AND BE IT FURTHER ENACTED, That [any] THE TOTALITY OF THE MARKETING efforts undertaken by the Maryland Higher Education Investment [Program] Board to market the Maryland [Higher Education Investment Program] PREPAID COLLEGE TRUST must include full disclosure that the contract entered into under the provisions of this Act does not guarantee that the earnings of the assets invested in the Program will generate the difference between the projected costs of tuition under the contract and the actual costs at the time of enrollment.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed and applied to affect all prepaid contracts purchased prior to the effective date of this Act.