

10-205.

(h) (1) (i) ~~In this subsection the following words have the meanings indicated.~~

~~(ii) "Contributor" and "qualified designated beneficiary" have the meanings stated in § 18 19A 01 of the Education Article.~~

~~(iii) "Purchaser" and "qualified beneficiary" have the meanings stated in § 18 1901 of the Education Article.~~

~~(iv) "Qualified higher education expenses" has the meaning stated in § 529 of the Internal Revenue Code. "QUALIFIED TUITION PROGRAM" HAS THE MEANING STATED IN § 529 OF THE INTERNAL REVENUE CODE.~~

(2) [The] EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE addition under subsection (a) of this section includes the amount of:

~~(i) any refund received in the taxable year by a purchaser under a prepaid contract in accordance with the Maryland Prepaid College Trust or a contributor under an investment account in accordance with the Maryland College Investment Plan; or~~

~~(ii) any distribution received in the taxable year by a purchaser under a prepaid contract in accordance with the Maryland Prepaid College Trust or a contributor under an investment account in accordance with the Maryland College Investment Plan that is not used on behalf of the qualified beneficiary or qualified designated beneficiary for qualified higher education expenses.~~

~~(3) THE ADDITION REQUIRED UNDER THIS SUBSECTION DOES NOT INCLUDE ANY AMOUNT THAT:~~

~~(I) QUALIFIES FOR TREATMENT AS A TAX-FREE ROLLOVER UNDER § 529(C)(3)(C) OF THE INTERNAL REVENUE CODE; AND~~

~~(II) IS TRANSFERRED TO ANOTHER QUALIFIED TUITION PROGRAM ESTABLISHED BY THIS STATE FOR THE BENEFIT OF THE QUALIFIED BENEFICIARY OR QUALIFIED DESIGNATED BENEFICIARY OR FOR THE BENEFIT OF ANOTHER BENEFICIARY WHO, WITHIN THE MEANING OF § 529 OF THE INTERNAL REVENUE CODE, IS A MEMBER OF THE FAMILY OF THE ORIGINAL QUALIFIED BENEFICIARY OR QUALIFIED DESIGNATED BENEFICIARY ANY DISTRIBUTION FROM A QUALIFIED TUITION PROGRAM OTHER THAN:~~

~~(I) A DISTRIBUTION FOR QUALIFIED HIGHER EDUCATION EXPENSES, WITHIN THE MEANING OF § 529(C)(3)(B) OF THE INTERNAL REVENUE CODE; OR~~

~~(II) A DISTRIBUTION THAT IS A ROLLOVER OR CHANGE IN DESIGNATED BENEFICIARIES, WITHIN THE MEANING OF § 529(C)(3)(C) OF THE INTERNAL REVENUE CODE.~~