

10-208.

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

(ii) ~~"Purchaser" has the meaning stated in § 18 1001 of the Education Article.~~

(II) "CONTRIBUTOR" MEANS A CONTRIBUTOR WITHIN THE MEANING OF § 529 OF THE INTERNAL REVENUE CODE.

(III) "DESIGNATED BENEFICIARY" HAS THE MEANING STATED IN § 529 OF THE INTERNAL REVENUE CODE.

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

(V) "QUALIFIED PREPAID TUITION PROGRAM" MEANS A QUALIFIED TUITION PROGRAM UNDER WHICH AN INDIVIDUAL MAY PURCHASE TUITION CREDITS OR CERTIFICATES ON BEHALF OF A DESIGNATED BENEFICIARY WHICH ENTITLE THE DESIGNATED BENEFICIARY TO THE WAIVER OR PAYMENT OF QUALIFIED HIGHER EDUCATION EXPENSES OF THE DESIGNATED BENEFICIARY.

(VI) "QUALIFIED TUITION PROGRAM" HAS THE MEANING STATED IN § 529 OF THE INTERNAL REVENUE CODE.

(2) (I) The subtraction under subsection (a) of this section includes the amount of ~~advance payments of qualified higher education expenses made by a purchaser during the taxable year as provided under a prepaid contract in accordance with the Maryland Prepaid College Trust~~ CONTRIBUTIONS MADE BY A CONTRIBUTOR TO A QUALIFIED PREPAID TUITION PROGRAM ON BEHALF OF A DESIGNATED BENEFICIARY.

~~(II) THE SUBTRACTION UNDER THIS SUBSECTION DOES NOT INCLUDE ANY AMOUNT THAT IS A TAX-FREE ROLLOVER OR CHANGE IN DESIGNATED BENEFICIARIES UNDER § 529(C)(3)(C) OF THE INTERNAL REVENUE CODE FROM ANOTHER QUALIFIED TUITION PROGRAM, AS DEFINED IN § 529 OF THE INTERNAL REVENUE CODE.~~

(3) ~~(I)~~ (II) Subject to paragraph (4) of this subsection, ~~for each prepaid contract~~ FOR EACH CONTRIBUTOR FOR EACH DESIGNATED BENEFICIARY, the subtraction under paragraph (2) of this subsection may not exceed \$2,500 for any taxable year.

(II) FOR PURPOSES OF THE TAX LIMITATION UNDER THIS PARAGRAPH, EACH SPOUSE ON A JOINT INCOME TAX RETURN SHALL BE TREATED SEPARATELY.

~~(II) FOR PURPOSES OF THE LIMITATION UNDER THIS PARAGRAPH, EACH SPOUSE ON A JOINT INCOME TAX RETURN SHALL BE TREATED SEPARATELY.~~

(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