

vetoing this bill has been a difficult decision, it is not in the State's best interest to expand our tax incentives to out-of-state plans at this time. I would encourage the General Assembly and the Maryland Higher Education Investment Board to evaluate Maryland's programs over the next year in light of activity relating to Section 529 plans at the federal level and around the country.

For the above reasons, I have vetoed House Bill 437.

Sincerely,  
Parris N. Glendening  
Governor

### House Bill No. 437

AN ACT concerning

#### ~~Maryland Higher Education Investment Program~~ Qualified Tuition Programs - Income Tax Treatment

FOR the purpose of ~~prohibiting the Maryland Higher Education Investment Board from allowing the same purchaser to purchase more than one prepaid tuition contract for a single beneficiary in the same calendar year; authorizing the Board to allow a purchaser to purchase multiple tuition plans for the same beneficiary under a single prepaid contract and to provide for multiple payment options under a single prepaid contract; prohibiting the Board from allowing the same contributor to open more than one investment account for a single beneficiary in the same calendar year; authorizing the Board to allow a contributor to invest in multiple portfolios for the same beneficiary under a single investment account; clarifying the application of a certain Maryland income tax addition modification and certain Maryland subtraction modifications to certain amounts that qualify for certain treatment under federal income tax law relating to qualified tuition programs; clarifying the application to spouses on a joint income tax return of certain limitations under certain Maryland income tax subtraction modifications for purchases or contributions under certain qualified tuition programs; providing for the application of this Act; and generally relating to the Maryland income tax treatment of certain purchases or contributions under certain qualified tuition programs administered by the Maryland Higher Education Investment Board~~ altering a certain addition modification under the Maryland income tax for certain distributions from certain qualified tuition programs; altering certain subtraction modifications under the Maryland income tax for certain contributions to certain qualified tuition programs; repealing a certain Maryland income tax subtraction modification made obsolete as a result of certain changes to the federal income tax treatment of qualified tuition programs; providing for the application of this Act; and generally relating to the income tax treatment of contributions to and distributions from certain qualified tuition programs.

~~BY~~ repealing and reenacting, with amendments,  
Article - Education