

(ii) a qualified designated beneficiary from an investment account under the Maryland College Investment Plan.

(3) The subtraction under paragraph (2) of this subsection does not apply to:

(i) a refund under the Maryland Prepaid College Trust or the Maryland College Investment Plan; or

(ii) a distribution that is not used by the qualified beneficiary or qualified designated beneficiary for qualified higher education expenses.]

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

~~(ii) "Purchaser" has the meaning stated in § 18 1901 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.