

(ii) any distribution received in the taxable year by [a purchaser] **AN ACCOUNT HOLDER** 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.

(4) The cumulative amount of the addition under this subsection for the taxable year and all prior taxable years may not exceed the cumulative amount allowed as a subtraction:

(i) under § 10-208(n) of this subtitle for the taxable year and all prior taxable years for the [purchaser's] **ACCOUNT HOLDER'S** payments to the prepaid contract under which the refund or distribution is received; or

(ii) under § 10-208(o) of this subtitle for the taxable year and all prior taxable years for contributions made by [a contributor] **AN ACCOUNT HOLDER** to an investment account under which the refund or distribution is received.

DRAFTER'S NOTE:

Error: Obsolete terminology in § 10-205(h)(1)(ii) and (iii), (2), and (4) of the Tax - General Article.

Occurred: As a result of Chs. 381 and 382, Acts of 2003.

10-208.

(n) (1) (ii) ["Purchaser"] "**ACCOUNT HOLDER**" has the meaning stated in § 18-1901 of the Education Article.

(2) The subtraction under subsection (a) of this section includes the amount of advance payments of qualified higher education expenses made by [a purchaser] **AN ACCOUNT HOLDER** during the taxable year as provided under a prepaid contract in accordance with the Maryland Prepaid College Trust.

(o) (1) In this subsection, "**ACCOUNT HOLDER**", "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] **AN ACCOUNT HOLDER** during the taxable year to an investment account.