

individual income tax for certain amounts included in federal adjusted gross income as a result of a benefit furnished to a ~~qualified~~ beneficiary pursuant to a higher education investment contract under the Maryland Higher Education Investment Program; providing that the subtraction does not apply to certain refunds issued under the Program; providing for the application of this Act; and generally relating to a subtraction modification for amounts included in federal adjusted gross income as a result of benefits furnished under Maryland Higher Education Investment Program.

BY repealing and reenacting, without amendments,

Article - Tax - General

Section 10-207(a)

Annotated Code of Maryland

(1997 Replacement Volume)

BY adding to

Article - Tax - General

Section 10-207(s)

Annotated Code of Maryland

(1997 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Tax - General**

10-207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(S) (1) IN THIS SUBSECTION "TUITION" MEANS THE CHARGES IMPOSED BY AN INSTITUTION OF HIGHER EDUCATION FOR ENROLLMENT AT THE INSTITUTION AND INCLUDES REGISTRATION AND ALL FEES REQUIRED AS A CONDITION OF ENROLLMENT.

(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY AMOUNT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME AS A RESULT OF A BENEFIT FURNISHED TO A ~~QUALIFIED~~ BENEFICIARY PURSUANT TO A HIGHER EDUCATION INVESTMENT CONTRACT UNDER THE MARYLAND HIGHER EDUCATION INVESTMENT PROGRAM.

(3) THE SUBTRACTION UNDER PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY TO A REFUND UNDER THE MARYLAND HIGHER EDUCATION INVESTMENT PROGRAM UNLESS THE REFUND IS APPLIED ON BEHALF OF THE ~~QUALIFIED~~ BENEFICIARY TO THE COST OF TUITION AT AN INSTITUTION OF HIGHER EDUCATION.