SENATE BILL 213

F2, Q3 7lr1724

By: Senator Brochin

Introduced and read first time: January 19, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1	AN ACT concerning
2 3	Maryland College Investment Plan – State Contribution to Account Holders – Alterations
4 5 6 7 8 9	FOR the purpose of altering the amount the State is required to contribute to certain account holders who make certain annual contributions to certain investment accounts in the Maryland College Investment Plan; altering the amount of the appropriation the Governor is required to provide in certain fiscal years to fund certain State contributions; and generally relating to the State contribution to account holders in the Maryland College Investment Plan.
10 11 12 13 14	BY repealing and reenacting, without amendments, Article – Education Section 18–19A–01 Annotated Code of Maryland (2014 Replacement Volume and 2016 Supplement)
15 16 17 18 19	BY repealing and reenacting, with amendments, Article – Education Section 18–19A–04.1 Annotated Code of Maryland (2014 Replacement Volume and 2016 Supplement)
$\begin{array}{c} 20 \\ 21 \end{array}$	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
22	Article - Education
23	18–19A–01.

In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

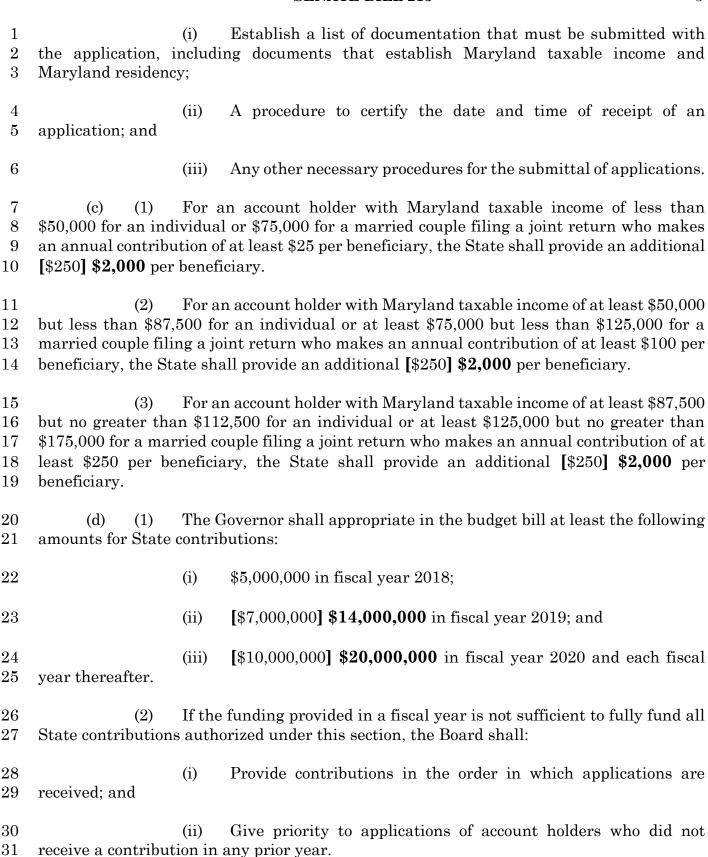
[Brackets] indicate matter deleted from existing law.

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(a)



- 1 (b) "Account holder" means the person who established an investment account on behalf of a qualified designated beneficiary.
- 3 (c) "Board" means the College Savings Plans of Maryland Board established 4 under § 18–1904 of this title.
- 5 (d) "Eligible educational institution" has the meaning stated in § 529(e) of the 6 Internal Revenue Code.
- 7 (e) "Investment account" means an account established by an account holder 8 under this subtitle on behalf of a qualified designated beneficiary for the purpose of 9 applying distributions toward qualified higher education expenses at eligible educational 10 institutions.
- 11 (f) "Plan" means the Maryland College Investment Plan established under this 12 subtitle.
- 13 (g) "Qualified designated beneficiary" has the meaning stated in § 529(e) of the 14 Internal Revenue Code.
- 15 (h) "Qualified higher education expenses" has the meaning stated in § 529(e) of 16 the Internal Revenue Code.
- 17 (i) "Qualified state tuition program" has the meaning stated in § 529 of the 18 Internal Revenue Code.
- 19 18–19A–04.1.
- 20 (a) For investment accounts established after December 31, 2016, a State 21 contribution may be made to an investment account as provided in this section if:
- 22 (1) The qualified beneficiary of the investment account is a Maryland 23 resident;
- 24 (2) The account holder submits an application to the Board or its designee 25 between January 1 and June 1 of each year; and
- 26 (3) The account holder has Maryland taxable income no greater than \$112,500 for an individual or \$175,000 for a married couple filing a joint return in the previous taxable year.
- 29 (b) (1) An application may be made in person, online, or by mail.
- 30 (2) The Board shall:



32 (e) (1) An account holder who has been approved to receive a State 33 contribution shall make a contribution between July 1 and November 1 of each year in 34 order to qualify for the State contribution.

- 1 (2) A State contribution shall be made by December 31 of the calendar year 2 in which the account holder made the contribution.
- 3 (f) An account holder is not eligible for the subtraction modification under § 4 10–208 of the Tax General Article for any taxable year in which the account holder 5 receives a State contribution.
- 6 (g) The Board shall develop and implement by September 1, 2016, an outreach 7 and marketing plan to provide notification to individuals about the availability of a State 8 contribution.
- 9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 10 1, 2017.