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Baltimore City

Ways and Means Committee  
Education Subcommittee

House Chair  
Baltimore City Delegation



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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**HB1300-Income Tax - 529 College Investment Plans - Elementary and Secondary  
Education Expenses  
Hearing: Hearing 3/03 at 1:30 p.m. Appropriations**

**Chairwoman McIntosh, Vice Chair Chang, and members of the Appropriations  
committee,**

This bill prohibits an individual from claiming the subtraction modification for contributions made to the Maryland College Investment Plan and Maryland Broker-Dealer College Investment Plan if the funds are used for elementary or secondary school education expenses. The bill also requires an individual to add back to their income a distribution from the college investment plan or any 529 education plan, if the distribution is used for elementary or secondary school education expenses. The bill also establishes reporting requirements for an individual who receives and the entity that makes distributions from the college investment savings plan and Maryland Broker-Dealer College Investment Plan. The Comptroller must adopt regulations implementing an electronic process for the submission of these statements.

This bill was developed in reaction to the 2018 federal tax law that allowed such investment plan contributions to be used for elementary and secondary school expenses despite the fact these vehicles were designed to make collegiate education more affordable. By retaining fidelity to the intended purpose of these plans, the state can recoup the revenues.

With the foregoing in mind, I respectfully request a favorable report for HB1300.

Warmly,

Delegate Stephanie M. Smith