

# HOW TO MAXIMIZE YOUR Maryland College Investment Plan Tax Benefits

## EXAMPLE



Parent 1 opens a Maryland College Investment Plan account for a single beneficiary and Parent 2 makes an additional contribution to the account.

ELIGIBILITY	 PARENT 1 Account Owner    PARENT 2 Account Contributor		Estimated Tax Saving
Each family member who opens a new account or contributes to an existing account may be eligible for the income subtraction.			
CONTRIBUTIONS			
Contribute to maximize the income subtraction.	\$2,500	\$2,500	\$190* x 2
SUBTRACTIONS			
Subtract up to \$2,500 per year for each beneficiary in a College Investment Plan. Subtractions apply to Maryland taxable income for the parent's contributions in that tax year.	<b>\$5,000</b> COMBINED ANNUAL INCOME SUBTRACTION**		<b>\$380</b> TOTAL STATE AND LOCAL TAX SAVINGS on \$5,000 subtraction



Did you know that Maryland taxpayers may be eligible for a **STATE INCOME SUBTRACTION** if they open a new OR contribute to an existing Maryland College Investment Plan account?



Maryland taxpayers can receive a maximum **\$2,500** subtraction from their State adjusted gross income annually per beneficiary for contributions to the Investment Plan. To take advantage of this Maryland income subtraction for a particular year, you must make your contribution by **DECEMBER 31** of that year.

\*Note that this is a hypothetical scenario assuming a 7.6% State and local tax rate with no federal subtraction. The amount of savings from your State income subtraction may vary. \*\*Account owners and contributors can each subtract contributions regardless of their marital status or tax filing status (individual or joint). A contributor need not be a parent or family member of the beneficiary to be eligible for the income subtraction.

For more information about the tax advantages of the Maryland College Investment Plan, visit **Maryland529.com**

The Maryland Senator Edward J. Kasemeyer College Investment Plan Disclosure Statement provides investment objectives, risks, expenses and costs, fees, and other information you should read and consider carefully before investing. If you or your beneficiary live outside of Maryland, you should compare Maryland 529 to any college savings program offered by your home state or your beneficiary's home state, which may offer state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 plan. Tax benefits may be conditioned on meeting certain requirements, such as residency purpose for or timing of distributions, or other factors, as applicable. If you receive a State contribution for any account in a given year, you are not eligible in that year for the income subtraction on your State taxes for contributions that you made to that or any other Maryland College Investment Plan account. You should consult with a tax or legal professional for additional information. T. Rowe Price Investment Services, Inc., Distributor/Underwriter of the Maryland Senator Edward J. Kasemeyer College Investment Plan.