

MARYLAND REGISTER

**Proposed Action on Regulations**

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
	07/06/2018	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 8/17/2018**

**2. COMAR Codification**

<b>Title</b>	<b>Subtitle</b>	<b>Chapter</b>	<b>Regulation</b>
13B 08	17	01 - .05	

**3. Name of Promulgating Authority**

Maryland Higher Education Commission

<b>4. Name of Regulations Coordinator</b>	<b>Telephone Number</b>
Christine Wellons	410-767-3313

**Mailing Address**

6 N. Liberty Street

<b>City</b>	<b>State</b>	<b>Zip Code</b>
Baltimore	MD	21201

**Email**  
christine.wellons@maryland.gov

<b>5. Name of Person to Call About this Document</b>	<b>Telephone No.</b>
Christine Wellons	410-767-3313

**Email Address**  
christine.wellons@maryland.gov

**6. Check applicable items:**

New Regulations

**X-** Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: July 6, 2018.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md. R

(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

**7. Is there emergency text which is identical to this proposal:**

Yes **X-** No

**8. Incorporation by Reference**

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

**9. Public Body - Open Meeting**

**X-** OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

**10. Children's Environmental Health and Protection**

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

**11. Certificate of Authorized Officer**

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Christine Wellons, Assistant Attorney General, (telephone #410-767-3313) on July 6, 2018. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Christine Wellons

**Title**

Assistant Attorney General

**Telephone No.**

410-767-3313

**Date**

July 6, 2018

**Title 13B**  
**B MARYLAND HIGHER EDUCATION COMMISSION**  
**Subtitle 08 FINANCIAL AID**

**13B.08.17 Student Loan Debt Relief Tax Credit**

Authority: Education Article, § 11-105(u); Tax-General Article § 10-740; Annotated  
Code of Maryland

**Notice of Proposed Action**

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The Maryland Higher Education Commission proposes to amend COMAR 13B.08.17 regarding the Student Loan Debt Relief Tax Credit.  
This action was considered at a public meeting of the Commission on June 27, 2018.

**Statement of Purpose**

The purpose of this action is to conform COMAR 13B.08.17 to the requirements of Ch. 382 and Ch. 419 of the 2018 Laws of Maryland.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

The proposed action has no economic impact.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Geoff Newman, Assistant Secretary, Maryland Higher Education Commission, 6 N. Liberty St., Baltimore, MD 21201, or call 410-767-3300, or email to [geoff.newman@maryland.gov](mailto:geoff.newman@maryland.gov), or fax to . Comments will be accepted through September 17, 2018. A public hearing has not been scheduled.

**Economic Impact Statement Part C**

- A. Fiscal Year in which regulations will become effective: FY 19
- B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?  
Yes
- C. If 'yes', state whether general, special (exact name), or federal funds will be used:  
General funds.
- D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:
- E. If these regulations have no economic impact under Part A, indicate reason briefly:  
The regulations implement Ch. 382 and Ch. 419 of the 2018 Laws of Maryland, which increased eligibility for, and the total amount of, Student Loan Debt Relief Tax Credits. The regulations do not involve an economic impact beyond the impacts of Ch. 382 and Ch. 419.
- F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.  
The regulations affect individual students, not small businesses.
- G. Small Business Worksheet:

## Attached Document:

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### **.01 Purpose.**

The purpose of the Student Loan Debt Relief Tax Credit is to assist students who have incurred a certain amount of *undergraduate* loan debt, *graduate loan debt*, or *both*, [in attending undergraduate school] by providing a tax credit on their Maryland State income tax *pursuant to Tax-General, § 10-740, Annotated Code*.

### **.02 Definitions.**

A. – C. (text unchanged)

D. “Debt burden” means the [monthly] amount a qualified taxpayer is currently obligated to pay for a student loan debt.

E. – G. (text unchanged)

H. “Student loan debt” means an individual’s obligation to repay a lender for monies borrowed by the individual to *pursue an undergraduate or graduate education at an institution of higher education that is accredited by an accrediting body recognized by the United States Department of Education* [attend an undergraduate institution].

I. (text unchanged)

J. “Qualified taxpayer” means an individual who has:

- (1) Incurred at least \$20,000 in [undergraduate] student loan debt; and
- (2) At least \$5,000 in outstanding [undergraduate] student loan debt when submitting an application under

Regulation .04 of this chapter.

[K. “Undergraduate institution” means an institution of higher education that offers undergraduate degrees and is accredited by an accrediting body recognized by the United States Department of Education.]

K. “*Undergraduate or graduate education*” means *credit-bearing coursework towards an associate’s degree, a bachelor’s degree, or a degree or certificate above the bachelor’s level, including but not limited to a master’s degree and a doctorate degree*.

### **.03 Tax Credit.**

A. – C. (text unchanged)

D. The total amount of a Student Loan Debt Relief Tax Credit claimed under a qualified taxpayer’s income tax return and approved by the Comptroller pursuant to §F of this regulation shall be recaptured if the qualified taxpayer does not use an approved credit for the repayment of the qualified taxpayer’s [undergraduate] student loan debt within 2 years from the close of the taxable year in which the credit is *awarded* [approved]. The qualified taxpayer who

claimed the approved tax credit shall pay the total amount of the credit claimed as taxes payable to the State of Maryland for the taxable year in which the event requiring recapture of the credit occurs.

E. –F. (text unchanged)

**.04 Applying to the Commission for Certification of a Tax Credit.**

A. A qualified taxpayer *requesting* [desiring to request] that the Commission certify a tax credit shall apply to the Commission as provided in this regulation.

B. (text unchanged)

C. The Student Loan Debt Relief Tax Credit application shall require a qualified taxpayer to submit, in a form prescribed by the Secretary, information required by the Secretary to determine the taxpayer's eligibility for certification, including but not limited to:

(1) The qualified taxpayer's full legal name, date of birth, gender, residency address, email address, phone number, and social security number;

(2) The name of the [undergraduate] institution or institutions attended and dates of attendance attributable to the qualified taxpayer's [undergraduate] student loan debt;

(3) A statement attesting that the qualified taxpayer has:

(a) Incurred at least \$20,000 in [undergraduate] student loan debt; and

(b) – (f) (text unchanged)

(5) – (8) (text unchanged)

(9) A signed and notarized statement of assurance by the qualified taxpayer that the individual shall use any credit approved by the Commission and accepted by the Comptroller for the repayment of the individual's [undergraduate] student loan debt as soon as practicable and not later than 2 years after the taxable year in which the credit is claimed.

D. (text unchanged)

**.05 Commission Action on an Application.**

A. – E. (text unchanged)

F. For any taxable year, the Commission may not certify more than the *maximum amount permitted under Tax-General § 10-740, Annotated Code* [\$5,000,000] in tax credits.