

**Testimony in Support of House Bill 1066
Income Tax – 529 College Investment Plans – Elementary and Secondary Education Expenses**

**House Ways and Means Committee
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The Maryland State Education Association strongly supports House Bill 1066, which expressly forbids state tax subtractions for funds withdrawn from 529 accounts when those funds are used for elementary or secondary education expenses. If enacted, this bill would save state government a projected \$20 million annually and local governments in Maryland approximately \$12.5 million per year. Failure to act on this bill will continue a state-permitted voucher program based on federal tax law changes in 2017 that will cost \$32.5 million. Passing this legislation and stopping this unintended voucher program is critical.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our 896,837 students for careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

House Bill 1066 is Maryland's best answer to language that was inserted into Federal Tax Cuts and Jobs Act of 2017 that allows parents to pay for private school K-12 tuition with 529 account funds. That was never the intent in Maryland and allowing it would effectively have Maryland taxpayers subsidizing private school tuition to the tune of \$32.5 million.

Public education, as with many other worthy services provided by government, is a common good and needs to be supported with revenue sources that are broad based, reliable, and stable. Providing adequate funding for education is an investment that promotes families, communities, economic development, and public safety. Investing in education provides an educated workforce that pays income taxes based upon higher salaries, pays sales taxes based upon greater consumer demand, and pays property taxes through expanded home purchasing power. Today's investment in education is tomorrow's increased government revenues.

A great public school for every child means our students have updated technology, small manageable classes, safe and modern schools, proper healthcare and nutrition, and have highly qualified and highly effective educators. The work of the Commission on Innovation and Excellence in Education (Kirwan Commission) further recommends improvements to access to Pre-K and Career Technology Education, as well as expansion of the educator workforce and increased salaries to help deliver individualized instruction and recruit and retain the best workforce in the country.

The Kirwan Commission has determined that Maryland will need to put substantially more resources into education if our state is to help our citizens become truly successful in the very competitive national and global economies. This is the time to locate and allocate more resources to public education, and passage of this bill helps to do just that.

We urge the committee to issue a Favorable Report on House Bill 1066.