



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

**February 21, 2020**

**HB 1066  
Income Tax - 529 College Investment Plans - Elementary and Secondary Education  
Expenses**

**House Ways & Means Committee**

**Position: OPPOSE**

The Maryland Catholic Conference offers this testimony in OPPOSITION to House Bill 1066 on behalf of the families of approximately 50,000 students served by more than 150 PreK-12 Catholic schools in Maryland. The Conference represents the public-policy interests of the three (arch)dioceses serving Maryland, the Archdioceses of Baltimore and Washington and the Diocese of Wilmington, which together encompass over one million Marylanders.

House Bill 1066 would bar parents, grandparents, family members or any other benefactor from state income tax benefits for contributions made toward elementary or secondary education expenses under Section 529 of the Internal Revenue Code. Additionally, tax deductions for distributions taken to pay for a child-beneficiary's educational expenditures would also be disallowed.

Now that this benefit has been in law for more than a year, many parents are utilizing it for K-12 educational assistance. This bill would effectively strip those Maryland families of that benefit. There are many low and middle-income families who live year-to-year in providing for their children's education by humbly soliciting assistance from grandparents, family members, and other benefactors. Current Section 529 benefits encourage and incentivize such assistance and, therefore, those benefits should remain intact in order to aid in educational success and sustainability.

Moreover, there are hundreds of Catholic and other nonpublic schools in the state, educating nearly 100,000 K-12 students. Those families educate in those schools for a whole host of reasons, each of which can be summarily categorized into one: their particular school curriculum or environment is the best fit for their children's learning needs. Nonetheless, the majority of those families sacrifice, or even struggle, to ensure that their students get the education best tailored to their needs because there are limited resources available. Catholic schools strive to great extent year in and year out to make their schools as accessible and affordable as possible for their students. Despite millions of dollars in subsidized assistance, they only are able to meet around 10% of the stated need.

The capability to utilize a Section 529 account, which offers a similar tax treatment mechanism to a ROTH IRA investment account, for elementary and secondary education expenses, could provide a crucial benefit to tens of thousands of Maryland families. It is for the compelling reasons above that we respectfully urge this committee to report unfavorably on House Bill 1066.