



**Maryland's Voice for
Nonpublic Education**

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HOUSE WAYS AND MEANS COMMITTEE

HOUSE BILL 1066

STATE INCOME TAX – SUBTRACTION MODIFICATION - ELEMENTARY AND SECONDARY EDUCATION EXPENSES

FEBRUARY 21, 2020

OPPOSE

Maryland CAPE is our state's chapter and one of 40 state chapters of the Council for American Private Education. Our network includes the Catholic, Christian, Evangelical Lutheran, Friends, Independent, Jewish, Lutheran, Montessori, Muslim, and Seventh Day Adventist school communities. We speak on behalf of roughly 120,000 nonpublic school students attending over one thousand nonpublic schools across our great state of Maryland.

We issue this testimony in opposition of House Bill 1066.

Back in December 2017, Congress passed the *Tax Cuts and Jobs Act of 2017* (TCJA). In it there are many items that impact Marylanders on multiple levels. One item of benefit to Marylanders is the expansion to the 529 College Savings Plan, which enables Marylanders to invest in the education of their children, their grandchildren, or any other Maryland child - beginning with their entry into kindergarten all the way through the completion of their studies in graduate school.

The funds invested in 529 programs benefit from the non-taxable status of the accumulated gains and it provides the investor with the tax incentive to make these precious investments into the full education – not to mention the future - of Maryland's youth. With the expanded opportunity, a portion of Maryland's tax revenue will be offering a far larger world of investment into the future of our state and society.

House Bill 1066 seeks to end this expanded benefit in Maryland, by excluding the language which mentions elementary and secondary education. Legislation which seeks to deny an initiative which has been created to assist children in becoming educated and successful members of our society does not deserve support of this committee. Tax incentives are created for good reason, and the impact on Maryland revenues are no different than other existing tax benefits that we all support and celebrate.

We respectfully request an UNFAVORABLE report on House Bill 1066.

Thank you.