

MARYLAND FAIR FUNDING COALITION

Testimony in SUPPORT of HB 1066

Del. Anne Kaiser, Chair
House Ways & Means Committee

The Maryland Fair Funding Coalition (MFFC) is a state-wide coalition of 25 organizations that support policy proposals to equitably and sustainably raise revenue in order to make the needed new and significant investments in public education and other essential services.

The MFFC supports proposals focused on eliminating corporate loopholes and tax breaks that benefit special interests, and fixing our upside-down tax code, which currently allows the wealthiest individuals to pay the smallest share of their income to state and local taxes. Fixing our tax system will support significant new state investments in education and ensure that large corporations and wealthy individuals are paying their fair share for the public services we all rely on.

Our coalition supports HB 1066, which would decouple the 529 benefit and eliminate a tax break for private schooling.

This legislation would allow for individuals to continue to contribute to 529 plans, known as the Maryland College Investment Plan. However, it would not allow funds used for private elementary or secondary school expenses to be tax deductible. This legislation is part of building an effective, sustainable, and equitable revenue system and would save \$20 million annually, if enacted.

As we consider education reform and ways to fund a world-class education system, we must also commit to choosing investments that are aligned with the purpose of the Kirwan Commission as well. Will we continue to prioritize tax breaks that benefit a small few, or will we take the necessary steps to ensure that revenue measures as just as equitable and forward thinking as the Kirwan Commission policy proposals? Our coalition urges our legislators to commit to our students and the future of our economy.

Therefore, we urge a favorable report on HB 1066