

The University of Maryland Student Government Association  
Testimony for HB0142  
Ways and Means Committee, Thursday, Jan. 28, 2021  
Income Tax - Student Loan Debt Relief Tax Credit - Alterations  
POSITION: FAVORABLE

My name is Dan Alpert and I am the Student Body President at the University of Maryland, College Park. I'd like to start by thanking Chair Kaiser and all the members of the Ways and Means Committee for the opportunity to share our thoughts on this bill. Additionally, thank you to Delegate Ivey for introducing this legislation, which will help ease the heavy burden of student debt that is faced by so many students in our state.

Last year, the state awarded close to \$9,000,000 in tax credits to those with student loan debt, providing aid to 9,600 Marylanders.<sup>1</sup> These payments are a significant benefit toward alleviating the difficulties incurred by large amounts of student debt. Eligibility for this tax credit program should be expanded to address the student debt crisis in our state. Reducing the burden of student debt is an expansive task, but even at the individual level, it allows Marylanders more freedom in their economic choices. With less debt, people are more willing to spend money which benefits the greater economy. Especially given the heightened financial difficulties brought on by COVID-19, this additional purchasing power serves a benefit to the greater good.

In Maryland, nearly 60% of college students graduate with student debt.<sup>2</sup> At the University of Maryland, the average amount of student loan debt held by the Class of 2019 was \$29,133.<sup>3</sup> This represents a 3.5% increase from 2017 when nearly 42% of University of Maryland students graduated with student debt.<sup>4</sup> As students, we know that beginning our careers with this much debt severely limits opportunities for professional advancement and other pursuits that require financial stability.

Nineteen of the state's colleges and universities have an average debt load of greater than \$20,000 for graduating students.<sup>5</sup> In an increasingly advanced economy, a bachelor's degree is not always enough to compete and many of our undergraduate students are pursuing graduate degrees of different types. Continuing with our education has a hefty price tag which causes students to incur more debt after their undergraduate degree, which is why it is important for this tax credit to be expanded to graduate programs. The tax credit thus should not be limited to only undergraduate debt - nor should the total amount of tax credit awarded be limited to \$9,000,000. By increasing the total amount of credit that can be awarded in any given year, many more people will benefit, and to a far greater degree.

We have seen how this tax credit can help out struggling Marylanders laden with debt. Thus, we strongly feel that it should be expanded. The pandemic-related financial crisis provides even greater reason to help reduce financial strain in these difficult times. It is for these reasons that we, the Student Government Association at the University of Maryland, urge you to vote yes on the alteration to the Student Loan Debt Relief Tax Credit.

Sincerely,  
Dan Alpert, *Student Body President*  
Ben Baitman, *Director of Government Affairs*

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<sup>1</sup> [Hogan announces \\$9M in tax credits for Marylanders with student loan debt](#)

<sup>2</sup> [Hogan Launches Student Debt Repayment Plan for State Employees – Conduit Street](#)

<sup>3</sup> [Student Loan Debt by School by State 2020](#)

<sup>4</sup> [Report: Md. students graduated with more debt in 2017 than 2016](#)

<sup>5</sup> [Here's how much debt students are in after earning a bachelor's at Maryland colleges](#)