



THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-3700
County Council

POSITION STATEMENT

HB 680 Income Tax – Student Loan Debt Relief Tax Credit –
Delegate Toles, et. al. Alterations

POSITION: SUPPORT AS AMENDED

HB 680 – Income Tax – Student Loan Debt Relief Tax Credit – Alterations – For the purpose of increasing the total amount of credits against the State income tax that the Maryland Higher Education Commission may approve in a taxable year for certain individuals with certain student loan debt amounts; requiring the Commission to reserve a certain amount of the total amount of credits that the Commission is authorized to approve for certain qualified taxpayers; extending the period of time that an individual who claims the credit has to prove that the individual used the credit to repay the individual's student loan debt; and requiring the Office of Student Financial Assistance to inform certain recipients of scholarships of the availability of the credit under this Act.

HB 680 increases the maximum amount of student debt relief tax credits the Maryland Higher Education Commission (MHEC) may approve for any taxable year from \$9,000,000 to \$18,000,000, requires MHEC to reserve \$9,000,000 annually for State employees who first, graduated from institutions of higher education where at least 40% of its students are eligible to receive Federal Pell Grants and then second, all other State employees, requires MHEC to prioritize tax credit recipients and amounts based on whether the qualified taxpayer is a low income earner, and lastly, extends the timeframe within which the individual who claims the credit must use the credit for repayment of the eligible loan debt from 2 years to 3 years from the close of the tax year for which a credit is claimed.

Maryland residents on average have the second highest student debt burden in the United States. The Prince George's County Council supports HB 680 because not only does it double the amount of tax debt relief tax credits available to graduates in Maryland, but it directs a portion of those credits to those that need it most. As we know, student debt disproportionately affects minorities and low wage earners. We greatly appreciate the Sponsor's introduction of this legislation aimed at prioritizing tax credits for those marginalized groups.

For the foregoing reasons, the Prince George's County Council SUPPORTS AS AMENDED HB 680 and respectfully requests the Committee's favorable consideration of its position.

Prepared by: Evans & Associates
On behalf of Prince George's County Council