



HB 680 – Income Tax – Student Loan Debt Relief Tax Credit - Alterations

Committee: House Ways and Means Committee

Date: February 23, 2023

Position: Support

The Maryland Bankers Association (MBA) **SUPPORTS** HB 680, which doubles the funding available for the Student Loan Debt Relief Tax Credit and extends the amount of time a borrower has to use the tax credit to pay on their student loans. The legislation also fences off a portion of the tax credit funding for graduates of historically Black colleges and universities, and requires the Maryland Higher Education Commission to prioritize tax credit recipients based on income. MBA supports initiatives to reduce the amount of outstanding student loan debt, which in turns allows Marylanders to begin building a path towards prosperity.

It is estimated that Americans owe approximately \$1.75 trillion in student loan debt. The repayment of student loan debt is an obstacle for many Marylanders who wish to better their lives by purchasing a home or simply accessing credit. Maryland banks see the struggles of customers as they want to position themselves in a better financial position, only to have overly burdensome student loans with complete repayment nowhere in sight. Doubling the funding and giving low-income earners priority ensures that those most in need of this tax credit can use it to work towards a better financial future.

Accordingly, MBA urges issue a **FAVORABLE** report on HB 680.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing more than 30,000 Marylanders and holding more than \$181 billion in deposits in over 1,000 branches across our State. The Maryland banking industry serves about 4 million customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.