



HOUSE WAYS AND MEANS COMMITTEE
House Bill 680
Income Tax – Student Loan Debt Relief Tax Credit – Alterations
February 23, 2023
Favorable

Chair Atterbeary, Vice Chair Wilkins and committee members, thank you for the opportunity to submit testimony in support of House Bill 680. My name is Dr. Aminta H. Breaux and I serve as President of Bowie State University. I applaud bill sponsor Delegate Karen Toles and the other sponsors for this legislation. House Bill 680 provides an opportunity to increase the total amount of credits against the State income tax that the Maryland Higher Education Commission may approve in a taxable year for individuals with student loan debt.

House Bill 680 will have a positive impact on the lives of Bowie State University students and alumni, who may have difficulty repaying either their undergraduate or graduate school debt. These individuals will be allowed to submit a tax credit application with the assurance that they will use any credit approved for the repayment of their undergraduate or graduate student loan debt or both as soon as practicable. This legislation is timely in light of the recent global pandemic of COVID-19 and the swift economic downturn with lost wages and rising inflation. Bowie State University has implemented extended financial aid plans and assistance to those families hardest hit due to students and families suffering from the economic shutdown. The economy is still recovering from the pandemic's global economic downturn.

The request for financial aid assistance has increased exponentially with many individuals and families acquiring educational loans due to financial hardships. House Bill 680 increases the ability for Maryland's Historically Black Colleges and Universities (HBCUs) to meet the educational needs serving the neediest students. At Bowie State University, 89% of our student body requires some form of financial aid, and so this legislation is critical to providing financial assistance to those high achieving students who need student loans to bridge the gap due to hardship. Additionally, House Bill 680 provides additional time for recipients to pay back the student loan servicer from two years to five years.

Bowie State University welcomes the opportunity to participate in this important discussion about student loan debt in Maryland. We urge a favorable report for House Bill 680.