



MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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January 25, 2025

Honorable Members of the Senate Budget and Taxation Committee  
Maryland General Assembly  
11 Bladen Street  
Annapolis, MD 21401

**RE: Senate Bill 412 - Income Tax - Subtraction Modification - Maryland 529 Plan Contributions**

Dear Chair and Members of the Committee:

The Maryland Society of Accounting and Tax Professionals, Inc. (MSATP) represents the voices of over 2,000 tax and accounting professional members. Our members, who are tax and accounting professionals, serve over 700,000 Maryland residents. We strongly support Senate Bill 412, which would increase the maximum subtraction modification for Maryland 529 plan contributions from \$2,500 to \$4,850.

As tax professionals who regularly advise families on college savings strategies, we see firsthand how the current \$2,500 limit has fallen behind the rapidly rising costs of higher education. The proposed increase to \$4,850 better reflects today's college expenses and provides meaningful tax relief to families committed to saving for their children's education. This change is particularly important as we see more families struggling to balance immediate financial needs with long-term educational planning.

The timing of this increase, effective for tax years beginning after December 31, 2025, provides an appropriate phase-in period while offering substantial relief to families. The preservation of the ten-year carryforward provision ensures that families who make larger contributions can still receive the full tax benefit over time. Additionally, the bill's separate treatment of spouses on joint returns effectively doubles the potential benefit for married couples, providing additional planning opportunities for families.

This legislation also maintains important program integrity features, such as the restriction on claiming the subtraction when receiving state contributions. The clear structure and straightforward implementation will allow tax professionals to effectively communicate these enhanced benefits to clients while maintaining compliance with all program requirements.

For these reasons, MSATP strongly encourages a favorable report on Senate Bill 412. This legislation represents a meaningful step toward helping Maryland families meet the challenge of saving for higher education while maintaining the fiscal integrity of our tax system.

Respectfully submitted,

Giavante' Hawkins

Maryland Society of Accounting and Tax Professionals

