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**Senate Bill 805 – Income Tax – Student Loan Debt Relief Tax Credit – Alterations
Budget and Taxation
March 3, 2026**

FAVORABLE

The Baltimore Teachers Union represents over 9,000 employees of Baltimore City Public Schools, including teachers, paraprofessionals, school secretaries, counselors, librarians, clinicians, transportation aides, and school support staff. As educators, our legacy of collective bargaining has long advocated for the learning conditions that students need in order to thrive, as our working conditions are our students' learning conditions. The Baltimore Teachers Union is writing in strong **support** of SB 805 and **we request that the committees issue a favorable report.**

This legislation is urgently needed to ensure that the Maryland Student Loan Debt Relief Tax Credit continues to function as intended—providing meaningful financial relief to Marylanders burdened by student debt, not penalizing them for federal delays beyond their control.

Right now, thousands of borrowers are stuck in circumstances they did not create: backlogs in income-driven repayment applications, ongoing litigation affecting the SAVE plan, and delays in Public Service Loan Forgiveness (PSLF) credit buybacks. These federal issues have made it impossible for some borrowers to spend down their tax credit within Maryland's required timeline.

This practical and solutions oriented legislation directly impacts Members of the Baltimore Teachers Union who know how essential this tax credit is. Educators, school staff, social workers, and countless other public servants rely on it to manage the cost of the degrees required for their work. The credit can mean the difference between financial stability and mounting debt. It has helped many of us remain in the professions our communities depend on.

The current all-or-nothing recapture rule risks punishing borrowers who did everything right. SB 805's prorated model is fair, logical, and humane. Granting MHEC flexibility to extend the spend-down period protects borrowers from losing the relief they were promised.

For these reasons, the Baltimore Teachers Union urges a favorable report on this bill. Thank you for your time and consideration.