

SB0805_RichardKaplowitz_FAV

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TESTIMONY ON SB#0805- POSITION: FAVORABLE

Income Tax - Student Loan Debt Relief Tax Credit - Alterations

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#0805, **Income Tax - Student Loan Debt Relief Tax Credit - Alterations**

This bill is submitted to assist Marylanders with student debt from the devastating decisions being made by the Federal Administration. *Trump officials move to scrap Biden student-loan repayment plan - Education department announces plans to halt 'illegal' Save program as critics call news 'devastating' for borrowers*¹

...the education department announced plans to halt what it called Biden's "illegal" Save plan – the Saving on a Valuable Education income-driven repayment program which currently has more than 7 million borrowers. In a [press release](#), the education department said it plans to stop all new Save enrollments, deny any pending applications and transition existing borrowers into alternative repayment plans.

Maryland can take actions to mitigate the results of the Federal actions. The Education Data Initiative has a study on the *Economic Effects of Student Loan Debt*²

Student loan debt creates significant, long-term financial strain by reducing disposable income, limiting homeownership and retirement savings, and forcing career choices based on salary rather than passion. It causes severe stress and anxiety, negatively impacts credit scores due to delinquencies, and can hinder small business formation.³

This bill is Maryland's recognition that action can and must occur at the state level.

This bill will assist in that goal by altering certain provisions of law governing the recapture of certain amounts of the credit against the State income tax for certain individuals with student loan debt to require the recapture of the unused amount of the credit rather than the total amount; authorizing the Maryland Higher Education Commission to extend 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 under certain circumstances; etc.

I respectfully urge this committee to return a favorable report on SB#0805.

¹ <https://www.theguardian.com/us-news/2025/dec/09/trump-biden-save-loan-program>

² <https://educationdata.org/student-loan-debt-economic-impact>

³ Google AI Search "negative effects of student loan debt"