



TESTIMONY

SB0805 Income Tax – Student Loan Debt Relief Tax Credit – Alterations

Bill Sponsor: Senator Hettleman

Committee: Ways and Means

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, Co-Chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0805 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists – individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

The current federal regime has shown little interest in helping citizens burdened by crushing student loan debt—just as the cost of living, including the ability to buy a home, becomes increasingly prohibitive. Marylanders are being squeezed from every direction: wages that don't keep pace with inflation, housing prices that shut families out of stability, and student loan balances that follow them for decades. In this environment, state level relief is not just helpful; it is essential.

SB0805 makes important improvements to Maryland's Student Loan Debt Relief Tax Credit by ensuring that only the *unused* portion of the credit is subject to recapture and by allowing the Maryland Higher Education Commission to grant extensions when borrowers need more time to document repayment. These are practical, humane adjustments that recognize the real-world pressures facing Marylanders with student loan debt.

SB0805 does not solve the national student debt crisis, but it does ensure that Maryland's own relief program operates with fairness and flexibility.

We request a **FAVORABLE** report on SB0805.