HB 930 - Income Tax – Decoupling From Federal Changes – Education Expenses
House Ways and Means Committee
February 26, 2026
<u>SUPPORT</u>

Chair Wilkins, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 930.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than $10,000 annually. More than half earn less than $20,000.**

One of the most important things we do as a state is provide free, public education to all children in Maryland. CASH strongly supports HB 930 because it preserves public dollars for the public good, rather than creating new public subsidies for private schools.

HB 930 removes Maryland from two changes that were part of the Republican budget bill Congress passed in July 2025 that could shift more public dollars to private schools.

One new program will give individuals a dollar-for-dollar tax write-off if they "donate" up to $1,700 to organizations that give students money for private school tuition. This proposal has the potential to funnel billions of public dollars into private schools nationwide. Governors have the choice of whether their states will opt in to this program. HB 930 states that Maryland will not participate.

Federal tax law changes in 2017 and 2025 also expanded the uses of 529 accounts, tax-advantaged savings accounts that were originally intended to help families save for college. HB 930 will maintain the ability of families to get a state tax break on college savings without providing the same bonus for funds used for K-12 private school tuition and other expenses.

Our state is already facing a tough road ahead for maintaining the public education funding that improves our schools and supports the needs of every student. We should preserve our limited public resources to support schools that are open to all.

<u>Thus, we encourage you to return a favorable report for HB 930.</u>

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