

Chair and Members of the Committee,

I am writing to respectfully urge you to oppose HB 930.

This legislation would penalize Maryland families who have responsibly saved for their children's education. By decoupling Maryland from federal 529 provisions and disallowing the state tax subtraction when funds are used for elementary or secondary tuition, HB 930 effectively strips families of a benefit they relied upon when making long-term financial decisions.

Parents who contributed to Maryland 529 plans did so under the understanding that these were legitimate education savings tools. If those savings are later used for K–12 tuition, HB 930 would treat that use as non-qualified for Maryland purposes — potentially triggering add-backs and the loss of previously claimed deductions. That is not tax neutrality; it is retroactive penalty.

Maryland families are already managing high costs of living, rising inflation, and increasing education expenses. The state should not punish families for investing their own money in their children's education.

At the same time, Maryland has an opportunity to support meaningful tax relief for working families through the \$1,700 federal tax credit currently under consideration. If the goal is to strengthen educational outcomes and family stability, lawmakers should expand relief — not restrict it.

HB 930 moves Maryland in the wrong direction. It reduces flexibility, discourages responsible savings, and sends the message that families who make independent education choices will be treated differently under state tax policy.

For these reasons, I respectfully request an unfavorable report on HB 930.

Thank you for your consideration.

Respectfully submitted,

Tom Neumark