



HOUSE WAYS AND MEANS COMMITTEE

FEBRUARY 26, 2026

HOUSE BILL 930

INCOME TAX – DECOUPLING FROM FEDERAL CHANGES – EDUCATION EXPENSES

OPPOSE

Maryland CAPE is our state’s chapter and one of 40 state chapters of the Council for American Private Education. Our network includes the Catholic, Christian, Evangelical Lutheran, Friends, Independent, Jewish, Lutheran, Montessori, Muslim, and Seventh Day Adventist school communities. We speak on behalf of over 138,000 nonpublic school students attending nearly one thousand nonpublic schools across our great state of Maryland. We speak today in opposition to House Bill 930.

As part of the federal reconciliation bill passed in July, the federal government established the Federal Scholarship Tax Credit (FSTC), in which federal taxpayers who donate to scholarship-granting organizations (SGOs) can claim a dollar-for-dollar tax credit for donations of up to \$1,700 dollars. HB 930 would preclude Governor Moore from recognizing SGOs within the State of Maryland. If it passes, Maryland taxpayers will still be able to receive the credit by donating to SGOs in other states, but not for donations to Maryland-based SGOs. Effectively, HB 930 would incentivize Marylanders to direct their money to other states.

Under the federal guidelines, funds collected by SGOs can be used for educational expenses for both public and nonpublic students. Acceptable uses include paying for tutoring, for special education expenses, for technology purchases, and a variety of other uses. This bill would prevent Marylanders from being able to access this federally-incentivized funding.

Recent polling has found that Marylanders from both sides of the aisle believe that Governor Moore should “opt in” to ensure that education donations be kept within Maryland. “Opting in” entails no cost to the State of Maryland. The decision to prohibit the Governor from making such a decision would simply redirect money to other states. We therefore urge that an unfavorable report on House Bill 930. Thank you.