

**Written Testimony Submitted to  
the Maryland House Ways and Means Committee  
Regarding House Bill 930  
February 24, 2026**

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Chair, Vice-Chair, and Members of the Committee,

Thank you for the opportunity to submit testimony in support of House Bill 930, which would decouple Maryland's tax code from recent federal expansions of 529 education savings plans as they related to private K-12 tuition, and would ensure the state does not take part in a highly problematic new federal voucher program designed to support private and religious K-12 schools. My name is Miles Trinidad, and I am a state analyst with the Institute on Taxation and Economic Policy (ITEP), a nonpartisan research organization based in Washington, D.C., specializing in state, local, and federal tax policy with a focus on equity and sustainability.

ITEP's research shows that expanding 529 plan eligibility to cover private K-12 tuition effectively turns these accounts into a wasteful subsidy for upper-income families already paying private school costs.<sup>i</sup> In many states, taxpayers can claim a state tax benefit for contributing to a 529 plan and then quickly withdraw those same funds for K-12 tuition, turning 529 plans into a tax shelter rather than encouraging long-term college savings. The benefits of this expansion are highly concentrated among upper-income households. Private school attendance is significantly more common among higher-income families, and the majority of private K-12 tuition spending is done by families in the top income quintile. Furthermore, because the 529 policy is structured as a deduction, the tax savings per dollar deducted are largest for families in higher tax brackets. As a result, expanded 529 savings accounts disproportionately benefit households least in need of public subsidy, while reducing revenues available for public education. The deduction does not represent sound public policy, a fact which helps to explain why 10 states have already decoupled. Joining those states would ensure that Maryland's tax incentives remain aligned with the state's fiscal priorities and commitment to adequately funding public schools.

The new federal tax law (H.R. 1) also created an unprecedented, dollar-for-dollar federal tax credit designed to support private and religious K-12 schools. The credit will fully reimburse the first \$1,700 contributed to groups that provide tuition vouchers to attend private schools. An ITEP analysis of the credit suggests that it could carry an immense price tag and will steer many billions of dollars into private K-12 schools that are subject to astonishingly little oversight, and that are free to discriminate against prospective students for a wide range of reasons such as their religion, disability, or sexual orientation.<sup>ii</sup> Ensuring that Maryland will not participate in this hugely problematic federal voucher program is an eminently sensible reform.

For these reasons, I urge a favorable report on House Bill 930.

Thank you for your consideration.

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<sup>i</sup> Miles Trinidad and Nick Johnson. "Re-Examining 529 Plans: Stopping State Subsidies to Private Schools After New Trump Tax Law." Institute on Taxation and Economic Policy. November 20, 2025. Available at: <https://itep.org/529-plan-private-school-subsidies-trump-tax-law/>

<sup>ii</sup> Carl Davis. "Megabill Takes Cap Off Unprecedented Private School Voucher Tax Credit, Potentially Raising Cost by Tens of Billions Relative to Earlier Version." Institute on Taxation and Economic Policy. July 2, 2025. <https://itep.org/trump-megabill-expensive-private-school-vouchers/>