

SUPPORT
House Bill 930
Income Tax – Decoupling from Federal Changes – Education Expenses

House Ways and Means Committee
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The Maryland State Education Association supports House Bill 930, which bars Maryland from participating in a new federal voucher program and clarifies Maryland's income tax treatment of certain federal education tax provisions to ensure Maryland retains control over its tax policy decisions.

MSEA represents 76,000 educators and school employees who work in Maryland's public schools and community colleges, teaching and supporting our almost 900,000 K-12 students so they can pursue their dreams. MSEA represents more than 40 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3-million-member National Education Association (NEA).

MSEA supports adequate, sustainable, and predictable funding for Maryland's public schools. A great public school for every child means our students have updated technology, small manageable classes, safe and modern schools, proper healthcare and nutrition, and highly qualified and highly effective educators. Protecting the integrity of Maryland's revenue structure is essential to maintaining these investments.

Importantly, House Bill 930 prohibits the governor from participating in the federal voucher program created in H.R. 1 of 2025. MSEA's longstanding opposition to vouchers is rooted in a policy belief that public dollars should only support public schools. The new federal voucher program in H.R. 1 will further dilute the federal government's ability to meet any of its obligations related to funding our schools by allowing for a diversion of federal dollars to scholarship granting organizations that will be leveraged for vouchers to unaccountable private and religious schools. To guard against actions of future governors, MSEA would support clear language that establishes a role for the General Assembly to review and be empowered to void a decision from the chief executive that is contrary to the prohibition included in House Bill 930.



House Bill 930 also ensures that Maryland does not automatically conform to certain newly created federal education-related tax provisions that could reduce state revenues. Automatic adoption of federal tax credits can have unintended fiscal consequences for the state budget and for education funding. This decoupling allows Maryland to determine its own tax policy and education priorities through its own legislative process.

The bill also clarifies how certain education savings account contributions and distributions are treated under Maryland income tax law. Clear and consistent tax treatment helps families plan responsibly while ensuring that state revenue projections remain accurate and stable. Maintaining transparency and predictability in the tax code protects both taxpayers and the long-term funding commitments Maryland has made to public education.

At a time when Maryland is implementing historic commitments to fully fund public education, it is critical that we safeguard the revenue base that makes those investments possible. House Bill 930 appropriately puts the brakes on any consideration of Maryland participating in the new federal voucher program and helps ensure that state tax policy decisions align with Maryland's values and education priorities.

MSEA urges a favorable report on House Bill 930.