

Maryland Independent College  
and University Association

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## WRITTEN TESTIMONY

### House Ways and Means Committee

#### *HB 33 - Income Tax - Subtraction Modification – Retirement Account Withdrawals for Higher Education Tuition*

**Tina Bjarekull, President**

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February 1, 2017

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Thank you for the opportunity to submit this letter of support for House Bill 33. This bill would allow a taxpayer to qualify for an income tax subtraction equal to the amount of funds used from a qualified retirement plan to pay for tuition for designated individuals. Each institution of higher education must provide the taxpayer with a statement certifying the amount of tuition paid during a taxable year.

MICUA member institutions support efforts that increase college access and affordability. Last year MICUA launched the Guaranteed Access Partnership Program (GAPP). GAPP is a public-private partnership between MICUA institutions and the State to help Maryland students and their families bridge the college affordability gap. The GAPP award provides a matching grant for eligible students who receive a Maryland Guaranteed Access grant and attend a MICUA institution. The combined award provides up to \$35,800 per year for four years of college for low income students. While House Bill 33 likely targets a different demographic, it will also help make college more affordable for more Maryland families.

Currently, MICUA member institutions produce a 1098-T tuition statement for any student who paid qualified educational expenses in the preceding tax year. MICUA supports HB 33 with an amendment to allow the 1098-T to satisfy the reporting requirement for a statement certifying the amount of tuition paid during the taxable year.

**MICUA encourages a favorable report of House Bill 33 with this amendment.**