



## 2014 Legislative Session

### Why do we need an education tax credit?

Nonpublic schools are not only an important part of Maryland's heritage, but also integral to our future. They provide quality educations, stabilize neighborhoods and spur economic growth. Most importantly, Maryland's nonpublic schools save taxpayers more than \$1.4 billion dollars per year!

However, nonpublic school enrollment has decreased by approximately 40,000 students in the past decade, representing an almost one-third decline in the total student body. Much of this decline is due to rising costs and an unstable economy. More specifically, approximately 150 schools have closed their doors in Maryland. The majority of these closings took place in lower income areas, such as Baltimore City, thus rendering students in those areas unable to obtain a quality education tailored to their needs. We must assist nonpublic schools by increasing funding *and* increasing enrollment, both of which the Maryland Education Credit can help accomplish.

### What is the Maryland Education Credit?

The Maryland Education Credit provides companies and individual businesses a 60% tax credit on donations to nonprofit Student Assistance Organizations. Those organizations in turn provide financial assistance for student expenses such as tuition, supplies, tutoring, transportation and special needs services. A business entity who donates may receive a credit of up to \$200,000.

This bill will allow up to \$15 million a year toward business tax credits. Sixty percent of tax credits will be available for assistance to nonpublic school students and the remaining 40% will be available for students attending public schools. Businesses may apply for the tax credits on a first-come, first-served basis, until the \$15 million cap is reached.

### How will the Education Credit help nonpublic schools?

The Education Credit will help lower and middle income families afford tuition and other educational expenses for their children, thus giving them the opportunity to attend the schools which best suit their needs. Furthermore, the influx of business investment will lower costs across the board, for schools and children alike. In short, more money means lower costs for parents. That leads to higher enrollments, improving the financial viability of our nonpublic schools and increasing the overall quality of our children's education. On top of that, businesses benefit by receiving tax credit incentives which, in turn, stimulate the economy.

### **LET'S GIVE OUR KIDS THE CREDIT!**

***For questions on the Maryland Education Credit, or to learn how to get involved, please contact Garrett J. O'Day, Esq., Associate Director for Education & Family Life at the Maryland Catholic Conference via email at [garrett@mdcathcon.org](mailto:garrett@mdcathcon.org) or by phone at 410-269-1155 or 301-261-1979.***