

## SB 148 STAFF MEASURE SUMMARY

### Senate Committee On Housing and Development

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**Action Date:** 03/18/21

**Action:** Do pass and refer to Tax Expenditures by prior reference.

**Vote:** 4-1-0-0

**Yeas:** 4 - Anderson, Golden, Jama, Patterson

**Nays:** 1 - Linthicum

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Meeting Dates:** 2/4, 3/18

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#### WHAT THE MEASURE DOES:

Extends tax credit for individual development account (IDA) contributions from January 1, 2022 to January 1, 2028.

#### ISSUES DISCUSSED:

- Financial education for youth
- IDA program provider partnerships with lenders
- Matched savings goals

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

The Individual Development Accounts (IDA) program is designed to support low-income individuals and households' financial goals through matched savings contracts with fiduciary organizations. Program participants must complete financial education and follow a planned savings program. Generally, IDAs are used for education, small business startups, and home down payments.

Individuals or businesses donating to the state-selected nonprofit for IDAs (currently Neighborhood Partnerships) are allowed an income tax credit of up to 90 percent of the amount donated. Contributions are applied toward matching IDA account holder savings and program-related expenses of the fiduciary organization. The credit is currently set to expire January 1, 2022.

Senate Bill 148 extends the sunset on tax credits for IDA donations from January 1, 2022 to January 1, 2028.