

CO-SPONSORSHIP MEMORANDUM

To: All House Members

From: Representative Mary Isaacson

Date: December 2, 2020

Subject: Student Loan Interest Tax Credit

In Pennsylvania and across the country, student loan debt has reached crisis levels. With more than 44 million borrowers who collectively owe \$1.5 trillion, student loan debt is now the second highest consumer debt category in the U.S. Further, Pennsylvania is among the worst hit states – our 1.7 million borrowers owe \$53.7 billion in student loan debt, and we also have the second highest average debt per student in the nation at \$35,759 per student. This debt burden can delay or prevent young adults from purchasing cars or houses and starting businesses or families.

For some, student loan debt can also lead to significant psychological stress, which is why I am proposing to introduce a tax credit for interest paid on student loans. My legislation provides for a tax credit up to \$2,500 per individual on interest paid during a calendar year for the life of the loan. The credit would be available to individuals making up to \$75,000 and couples up to \$155,000. This initiative will help ease the burden on young adults who are doing their best to make progress toward paying off their student loans.

Please join me in co-sponsoring legislation that would give borrowers one more tool to offset the costs of their student loans.