



March 5, 2020

Representative Mark J. Cusack, Chair
Joint Committee on Revenue
State House, Room 34
Boston, MA 02133

Senator Adam G. Hinds, Chair
Joint Committee on Revenue
State House, Room 109-E
Boston, MA 02133

Dear Chairman Cusack and Chairman Hinds,

I am writing to submit testimony on behalf of the Greater Boston Chamber of Commerce in support of H.2391, *An Act encouraging employer student loan repayment*, sponsored by Representative James Arciero. This proposal permits a corporate tax deduction of up to \$2,000 per employee for employers making student loan repayment contributions toward an employee's student loans and ensures that the benefit is not treated as taxable income for the employee receiving it.

As employers seek new ways to stay competitive in attracting and retaining talent, some have begun to offer student loan repayment assistance as an employee benefit. For employers and employees alike, this is a valuable benefit because most Massachusetts graduates enter the workforce with some level of student debt. In fact, the average student debt for Massachusetts graduates in the Class of 2018 is estimated at almost \$32,000.¹

In 2016, the Chamber partnered with Attorney General Maura Healey and released a [report](#) that looks at the impact that student debt has on our workforce and employers. The report found that borrowers with student loan debt face tradeoffs that affect their ability to take important financial steps like purchasing a home, saving for retirement, or starting a family. Not only is student debt a burden on individuals, employers also feel the effects because it can impact the choices people make in choosing career opportunities and potential employers.

This legislation will allow an employee to deduct the contribution that their employer makes towards their student loans and, as a result, put repayment programs on par with employer-provided tuition assistance, which is excluded from the personal income tax.² Furthermore, this legislation will incentivize more employers to offer the student loan repayment benefit because it will allow them to deduct the cost of those benefits from their tax burden.

We urge the committee to report this bill favorably to encourage broader adoption of student loan repayment programs and to provide such programs parity with other education-related fringe benefits. Thank you for your consideration of this testimony and please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads 'James E. Rooney'.

James E. Rooney
President and CEO

CC: Members of the Joint Committee on Revenue, Rep. James Murphy, Rep. Ann Margaret Ferrante, Sen. James Welch, Sen. Eric Lesser

¹ The Institute for College Access and Success: [Student Debt and the Class of 2018](#)

² Employer-provided tuition assistance up to \$5,250 is not subject to the personal income tax.