



Deadline to Apply for Student Loan Debt Relief Tax Credit is September 15

The deadline is quickly approaching for Maryland taxpayers to take advantage of the Student Loan Debt Relief Tax Credit. Taxpayers must submit an application by **September 15, 2025** to receive this valuable benefit.

This tax credit helps eligible Marylanders reduce their student loan debt by providing a direct credit on income taxes. Taxpayers are strongly encouraged to apply now so they don't miss out.

Eligibility Requirements

- Be a Maryland resident for the 2025 tax year
- File Maryland state income taxes for the 2025 tax year
- Have originally incurred at least \$20,000 in undergraduate and/or graduate student loan debt
- Hold a minimum outstanding student loan balance of \$5,000 at the time of application
- Certify that the entire amount awarded was directly applied to eligible student loan payments

How to Apply

Visit the Maryland Higher Education Commission's [website](#) to complete the online application by September 15, 2025.

Email studentdebttaxcredit.mhec@maryland.gov with questions or for assistance.

Student Loan Debt Relief Tax Credit Frequently Asked Questions (FAQs)

Question: How do I receive the tax credit?

Answer: The tax credit is claimed on your Maryland income tax return when you file your Maryland taxes. If the credit is more than the taxes you would otherwise owe, you will receive a tax refund for the difference. For example, if you owe \$800 in taxes without the credit, and claim a \$1,000 Student Loan Debt Relief Tax Credit, you will get a \$200 refund.

Question: What application errors could cause disqualification of my application?

Answer: The most frequent error MHEC encounters is incorrect lender documents.

Question: Is the state tax credit taxable at the federal level?

Answer: We recommend that you consult your tax professional regarding any federal tax implications of the credit.

Question: Are Parents PLUS Loan plans eligible for the tax credit?

Answer: No. The debt must have been incurred by the applicant.

Question: Where does the Maryland Adjusted Gross Income (AGI) figure come from and what if I am married filing jointly?

Answer: The AGI comes from line 16 of Maryland Form 502, and you must include the full amount even if you are married filing jointly. Do not prorate it.