



Daniel R. Palmer Jr.
Chief Justice
Student Government Association
Wright State University
Office: [\(937\) 775-5508](tel:9377755508)
Cell: [\(937\) 831-9544](tel:9378319544)
Email: daniel.palmer@wsusg.com

Honorable Tim Schaffer
Chair, Ohio House of Representatives Ways and Means Committee
77 S. High St
Columbus, OH 43215

Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the Ohio House of Representatives Ways and Means Committee,

I am happy to be before you today to speak on behalf of students in Ohio's University system on House Bill 186.

To reintroduce myself, my name is Daniel Palmer. I am currently the Chief Justice of Wright State University's Student Government Association, and the Executive Director of the Ohio Student Government Association. As the Executive Director for the Ohio Student Government Association, it is my job to advocate for the over 400,000 students in Ohio's 14 public institutions. In my capacity as Chief Justice and Executive Director, I have testified before the House Higher Education and Workforce Development Committee and this committee several times when bills directly affect the students of Ohio.

I am sure you all have heard the startling facts in regards to the cost of attending a university. The cost to obtain an education has increased dramatically from that in the 1970's. The cost of tuition at Harvard has increased 17 times since 1971. An education that an average household could earn with 13 weeks' income now has risen to nearly a year. Public universities have followed the same trend, leading to over \$1.2 trillion in college debt.¹ The current loan default rate currently sits at 11.5% with over 580,000 students defaulting in the last three years.²

I would like to express my appreciation to the Ohio Legislature for their commitment to improving the affordability of higher education within the State of Ohio. I have been fortunate enough to speak before you all on textbook affordability, and now higher education expense deductions.

Providing deductions for expenses related to tuition, fees, books, supplies, required equipment, room and board expenses, and special needs services if required for attendance are sure the benefit current students and families in Ohio. Additionally, the provision granting deductions for credential earned by students will put extra money in the pockets of Ohians.

¹ CNBC: Why does a college degree cost so much?

<https://www.cnbc.com/2015/06/16/why-college-costs-are-so-high-and-rising.html>

² Forbes: Student Loan Defaults Rise – What To Do Now.

<https://www.forbes.com/sites/zackfriedman/2017/10/06/student-loan-default/#75a4618b28de>

The only topic of concern we have so far has to do with college students claimed as dependents. Often times, students are being claimed by their parents. In an effort to solve this, I draw your attention to New Jersey's "Dependents Attending Colleges Exemption." This initiative grants taxpayers a \$1,000 flat deduction that pays one half or more of the "tuition and maintenance costs for a dependent full-time student under age 22." This deduction is for each dependent, assuming requirements are met. The requirements are:

1. Student must be under age 22 on the last day of the tax year;
2. Student must attend full-time. "Full-time" is determined by the institution;
3. Student must spend at least some part of each of five calendar months of the tax year at school;
4. The educational institution must be an accredited college or postsecondary institution, maintain a regular faculty and curriculum, and have a body of students in attendance;
5. You must have paid one-half or more of the tuition and maintenance costs for the student. Financial aid received by the student is not calculated into your cost when totaling one-half of your dependent's tuition and maintenance. However, the money earned by students in College Work Study Programs is income and is taken into account.³

To ease the burden on parents of college students, we are proposing that House Bill 168 include a provision that is very similar to New Jersey's state policy. The "Dependents Attending Colleges Exemption" saved New Jersey taxpayers \$10.5 million in 2017.⁴

We sincerely hope you will consider our proposal, as we believe it will benefit families across Ohio and make college more accessible.

Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the Ohio House of Representatives Ways and Means Committee, I sincerely thank you for your time and consideration. I would welcome any questions at this time.

³ State of New Jersey Division of Taxation: Dependent Exemptions, Dependent Attending College. <http://www.state.nj.us/treasury/taxation/njit2.shtml#collapse6>

⁴ Institute on Taxation and Economic Policy: Higher Education Income Tax Deductions and Credits in the States. <https://itep.org/higher-education-income-tax-deductions-and-credits-in-the-states/>