
OLR Bill Analysis

sHB 5275

AN ACT CONCERNING THE LEARN HERE, LIVE HERE PROGRAM AND BUSINESS CREATION.

SUMMARY:

This bill activates and expands the Learn Here, Live Here program, which under current law is designed to offer graduating students the option of putting a portion of their income tax payments aside toward a down payment on their first home in Connecticut. The bill requires, rather than allows, the Department of Economic and Community Development (DECD) commissioner to establish the program and pushes back several deadlines for starting specified administrative tasks.

If the commissioner activates the program under current law, the option of setting aside income tax payments is available to students graduating on or after January 1, 2014, from Connecticut public and private colleges and universities, regional-technical schools, and health care training schools. The bill instead limits the option to those graduating on or after January 1, 2015. It also gives these students the additional option of putting aside a portion of their income tax payments toward starting a new business.

Students who choose to set aside income tax payments for starting a business may set aside up to \$2,500 per year for up to 10 years. To access these funds, a student must apply to the DECD commissioner within 10 years after graduation. These are the same rules that already apply for students setting aside funds for a home down payment.

EFFECTIVE DATE: July 1, 2014

ADMINISTRATIVE DEADLINES

Current law establishes the program and specifies deadlines for starting specified administrative tasks, but allows the DECD

commissioner to decide whether to implement the program, which she has not. The bill, instead, requires her to implement program and resets those deadlines. It pushes back, from December 1, 2012 to December 1, 2014, the deadline for developing a program to educate students about the Learn Here, Live Here program and requires the commissioner to include information about setting aside income tax payments for starting a business.

The bill also pushes back, from September 1, 2014 to September 1, 2015, the deadline by which the state treasurer must begin annually notifying the DECD commissioner about the amounts set aside in the account the law establishes for this purpose. The bill changes this account's name from the "Connecticut First-Time Homebuyers" account to the "Live Here, Learn Here" account. By law, the revenue services commissioner sets aside these payments for participating students. The bill pushes back the deadline by which he must begin to do so from January 1, 2014 to January 1, 2015.

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 16 Nay 0 (03/11/2014)