



General Assembly

Amendment

February Session, 2018

LCO No. 4200



Offered by:

REP. CANDELORA, 86th Dist.

REP. FISHBEIN, 90th Dist.

REP. FRANCE, 42nd Dist.

To: Subst. Senate Bill No. 4

File No. 206

Cal. No. 405

"AN ACT ASSISTING STUDENTS WITHOUT LEGAL IMMIGRATION STATUS WITH THE COST OF COLLEGE."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subparagraph (B) of subdivision (20) of subsection (a) of
4 section 12-701 of the 2018 supplement to the general statutes is
5 repealed and the following is substituted in lieu thereof (*Effective July*
6 *1, 2018, and applicable to taxable years commencing on or after January 1,*
7 *2018*):

8 (B) There shall be subtracted therefrom (i) to the extent properly
9 includable in gross income for federal income tax purposes, any
10 income with respect to which taxation by any state is prohibited by
11 federal law, (ii) to the extent allowable under section 12-718, exempt
12 dividends paid by a regulated investment company, (iii) the amount of
13 any refund or credit for overpayment of income taxes imposed by this

14 state, or any other state of the United States or a political subdivision
15 thereof, or the District of Columbia, to the extent properly includable
16 in gross income for federal income tax purposes, (iv) to the extent
17 properly includable in gross income for federal income tax purposes
18 and not otherwise subtracted from federal adjusted gross income
19 pursuant to clause (x) of this subparagraph in computing Connecticut
20 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
21 extent any additional allowance for depreciation under Section 168(k)
22 of the Internal Revenue Code, as provided by Section 101 of the Job
23 Creation and Worker Assistance Act of 2002, for property placed in
24 service after December 31, 2001, but prior to September 10, 2004, was
25 added to federal adjusted gross income pursuant to subparagraph
26 (A)(ix) of this subdivision in computing Connecticut adjusted gross
27 income for a taxable year ending after December 31, 2001, twenty-five
28 per cent of such additional allowance for depreciation in each of the
29 four succeeding taxable years, (vi) to the extent properly includable in
30 gross income for federal income tax purposes, any interest income
31 from obligations issued by or on behalf of the state of Connecticut, any
32 political subdivision thereof, or public instrumentality, state or local
33 authority, district or similar public entity created under the laws of the
34 state of Connecticut, (vii) to the extent properly includable in
35 determining the net gain or loss from the sale or other disposition of
36 capital assets for federal income tax purposes, any gain from the sale
37 or exchange of obligations issued by or on behalf of the state of
38 Connecticut, any political subdivision thereof, or public
39 instrumentality, state or local authority, district or similar public entity
40 created under the laws of the state of Connecticut, in the income year
41 such gain was recognized, (viii) any interest on indebtedness incurred
42 or continued to purchase or carry obligations or securities the interest
43 on which is subject to tax under this chapter but exempt from federal
44 income tax, to the extent that such interest on indebtedness is not
45 deductible in determining federal adjusted gross income and is
46 attributable to a trade or business carried on by such individual, (ix)
47 ordinary and necessary expenses paid or incurred during the taxable
48 year for the production or collection of income which is subject to

49 taxation under this chapter but exempt from federal income tax, or the
50 management, conservation or maintenance of property held for the
51 production of such income, and the amortizable bond premium for the
52 taxable year on any bond the interest on which is subject to tax under
53 this chapter but exempt from federal income tax, to the extent that
54 such expenses and premiums are not deductible in determining federal
55 adjusted gross income and are attributable to a trade or business
56 carried on by such individual, (x) (I) for taxable years commencing
57 prior to January 1, 2019, for a person who files a return under the
58 federal income tax as an unmarried individual whose federal adjusted
59 gross income for such taxable year is less than fifty thousand dollars,
60 or as a married individual filing separately whose federal adjusted
61 gross income for such taxable year is less than fifty thousand dollars,
62 or for a husband and wife who file a return under the federal income
63 tax as married individuals filing jointly whose federal adjusted gross
64 income for such taxable year is less than sixty thousand dollars or a
65 person who files a return under the federal income tax as a head of
66 household whose federal adjusted gross income for such taxable year
67 is less than sixty thousand dollars, an amount equal to the Social
68 Security benefits includable for federal income tax purposes; (II) for
69 taxable years commencing prior to January 1, 2019, for a person who
70 files a return under the federal income tax as an unmarried individual
71 whose federal adjusted gross income for such taxable year is fifty
72 thousand dollars or more, or as a married individual filing separately
73 whose federal adjusted gross income for such taxable year is fifty
74 thousand dollars or more, or for a husband and wife who file a return
75 under the federal income tax as married individuals filing jointly
76 whose federal adjusted gross income from such taxable year is sixty
77 thousand dollars or more or for a person who files a return under the
78 federal income tax as a head of household whose federal adjusted
79 gross income for such taxable year is sixty thousand dollars or more,
80 an amount equal to the difference between the amount of Social
81 Security benefits includable for federal income tax purposes and the
82 lesser of twenty-five per cent of the Social Security benefits received
83 during the taxable year, or twenty-five per cent of the excess described

84 in Section 86(b)(1) of the Internal Revenue Code; (III) for the taxable
85 year commencing January 1, 2019, and each taxable year thereafter, for
86 a person who files a return under the federal income tax as an
87 unmarried individual whose federal adjusted gross income for such
88 taxable year is less than seventy-five thousand dollars, or as a married
89 individual filing separately whose federal adjusted gross income for
90 such taxable year is less than seventy-five thousand dollars, or for a
91 husband and wife who file a return under the federal income tax as
92 married individuals filing jointly whose federal adjusted gross income
93 for such taxable year is less than one hundred thousand dollars or a
94 person who files a return under the federal income tax as a head of
95 household whose federal adjusted gross income for such taxable year
96 is less than one hundred thousand dollars, an amount equal to the
97 Social Security benefits includable for federal income tax purposes;
98 and (IV) for the taxable year commencing January 1, 2019, and each
99 taxable year thereafter, for a person who files a return under the
100 federal income tax as an unmarried individual whose federal adjusted
101 gross income for such taxable year is seventy-five thousand dollars or
102 more, or as a married individual filing separately whose federal
103 adjusted gross income for such taxable year is seventy-five thousand
104 dollars or more, or for a husband and wife who file a return under the
105 federal income tax as married individuals filing jointly whose federal
106 adjusted gross income from such taxable year is one hundred
107 thousand dollars or more or for a person who files a return under the
108 federal income tax as a head of household whose federal adjusted
109 gross income for such taxable year is one hundred thousand dollars or
110 more, an amount equal to the difference between the amount of Social
111 Security benefits includable for federal income tax purposes and the
112 lesser of twenty-five per cent of the Social Security benefits received
113 during the taxable year, or twenty-five per cent of the excess described
114 in Section 86(b)(1) of the Internal Revenue Code, (xi) to the extent
115 properly includable in gross income for federal income tax purposes,
116 any amount rebated to a taxpayer pursuant to section 12-746, (xii) to
117 the extent properly includable in the gross income for federal income
118 tax purposes of a designated beneficiary, any distribution to such

119 beneficiary from any qualified state tuition program, as defined in
120 Section 529(b) of the Internal Revenue Code, established and
121 maintained by this state or any official, agency or instrumentality of
122 the state, (xiii) to the extent allowable under section 12-701a,
123 contributions to accounts established pursuant to any qualified state
124 tuition program, as defined in Section 529(b) of the Internal Revenue
125 Code, established and maintained by this state or any official, agency
126 or instrumentality of the state, (xiv) to the extent properly includable
127 in gross income for federal income tax purposes, the amount of any
128 Holocaust victims' settlement payment received in the taxable year by
129 a Holocaust victim, (xv) to the extent properly includable in gross
130 income for federal income tax purposes of an account holder, as
131 defined in section 31-51ww, interest earned on funds deposited in the
132 individual development account, as defined in section 31-51ww, of
133 such account holder, (xvi) to the extent properly includable in the
134 gross income for federal income tax purposes of a designated
135 beneficiary, as defined in section 3-123aa, interest, dividends or capital
136 gains earned on contributions to accounts established for the
137 designated beneficiary pursuant to the Connecticut Homecare Option
138 Program for the Elderly established by sections 3-123aa to 3-123ff,
139 inclusive, (xvii) to the extent properly includable in gross income for
140 federal income tax purposes, any income received from the United
141 States government as retirement pay for a retired member of (I) the
142 Armed Forces of the United States, as defined in Section 101 of Title 10
143 of the United States Code, or (II) the National Guard, as defined in
144 Section 101 of Title 10 of the United States Code, (xviii) to the extent
145 properly includable in gross income for federal income tax purposes
146 for the taxable year, any income from the discharge of indebtedness in
147 connection with any reacquisition, after December 31, 2008, and before
148 January 1, 2011, of an applicable debt instrument or instruments, as
149 those terms are defined in Section 108 of the Internal Revenue Code, as
150 amended by Section 1231 of the American Recovery and Reinvestment
151 Act of 2009, to the extent any such income was added to federal
152 adjusted gross income pursuant to subparagraph (A)(xi) of this
153 subdivision in computing Connecticut adjusted gross income for a

154 preceding taxable year, (xix) to the extent not deductible in
155 determining federal adjusted gross income, the amount of any
156 contribution to a manufacturing reinvestment account established
157 pursuant to section 32-9zz in the taxable year that such contribution is
158 made, (xx) to the extent properly includable in gross income for federal
159 income tax purposes, (I) for the taxable year commencing January 1,
160 2015, ten per cent of the income received from the state teachers'
161 retirement system, (II) for the taxable years commencing January 1,
162 2016, January 1, 2017, and January 1, 2018, twenty-five per cent of the
163 income received from the state teachers' retirement system, and (III)
164 for the taxable year commencing January 1, 2019, and each taxable year
165 thereafter, fifty per cent of the income received from the state teachers'
166 retirement system or the percentage, if applicable, pursuant to clause
167 (xxi) of this subparagraph, (xxi) to the extent properly includable in
168 gross income for federal income tax purposes, except for retirement
169 benefits under clause (iv) of this subparagraph and retirement pay
170 under clause (xvii) of this subparagraph, for a person who files a
171 return under the federal income tax as an unmarried individual whose
172 federal adjusted gross income for such taxable year is less than
173 seventy-five thousand dollars, or as a married individual filing
174 separately whose federal adjusted gross income for such taxable year is
175 less than seventy-five thousand dollars, or as a head of household
176 whose federal adjusted gross income for such taxable year is less than
177 seventy-five thousand dollars, or for a husband and wife who file a
178 return under the federal income tax as married individuals filing
179 jointly whose federal adjusted gross income for such taxable year is
180 less than one hundred thousand dollars, (I) for the taxable year
181 commencing January 1, 2019, fourteen per cent of any pension or
182 annuity income, (II) for the taxable year commencing January 1, 2020,
183 twenty-eight per cent of any pension or annuity income, (III) for the
184 taxable year commencing January 1, 2021, forty-two per cent of any
185 pension or annuity income, (IV) for the taxable year commencing
186 January 1, 2022, fifty-six per cent of any pension or annuity income, (V)
187 for the taxable year commencing January 1, 2023, seventy per cent of
188 any pension or annuity income, (VI) for the taxable year commencing

189 January 1, 2024, eighty-four per cent of any pension or annuity income,
190 and (VII) for the taxable year commencing January 1, 2025, any
191 pension or annuity income, (xxii) the amount of lost wages and
192 medical, travel and housing expenses, not to exceed ten thousand
193 dollars in the aggregate, incurred by a taxpayer during the taxable year
194 in connection with the donation to another person of an organ for
195 organ transplantation occurring on or after January 1, 2017, [and]
196 (xxiii) to the extent properly includable in gross income for federal
197 income tax purposes, the amount of any financial assistance received
198 from the Crumbling Foundations Assistance Fund or paid to or on
199 behalf of the owner of a residential building pursuant to sections 8-442
200 and 8-443, and (xxiv) to the extent not deductible in determining
201 federal adjusted gross income, and to the extent allowable under
202 section 502 of this act, the amount of payments made during the
203 taxable year for interest on a student loan.

204 Sec. 502. (NEW) (*Effective January 1, 2018, and applicable to taxable*
205 *years commencing on or after January 1, 2018*) (a) For the purposes of this
206 section:

207 (1) "Qualified student loan" means a loan taken out solely to pay
208 qualified education expenses (A) for the taxpayer, the taxpayer's
209 spouse or a person who was a dependent of the taxpayer at the time
210 when the taxpayer took out the loan, (B) paid or incurred within a
211 reasonable period of time before or after the taxpayer took out the
212 loan, and (C) for education provided during an academic period for an
213 eligible student;

214 (2) "Qualified education expenses" means the total costs of attending
215 an eligible institution of higher education, including graduate school,
216 and includes amounts paid for the following items: (A) Tuition and
217 fees; (B) room and board, provided the cost of room and board
218 qualifies only to the extent that it is not more than the greater of (i) the
219 allowance for room and board, as determined by the eligible
220 institution of higher education, that was included in the cost of
221 attendance for a particular academic period and living arrangement of

222 the student, or (ii) the actual amount charged if the student is residing
 223 in housing owned or operated by the eligible institution of higher
 224 education; (C) books, supplies and equipment; and (D) other necessary
 225 expenses, including, but not limited to, transportation;

226 (3) "Eligible institution of higher education" means any institution of
 227 higher education that is eligible to participate in a student aid program
 228 administered by the United States Department of Education; and

229 (4) "Eligible student" means a student who is or was enrolled at least
 230 half-time in a certificate or degree program at an eligible institution of
 231 higher education.

232 (b) The maximum annual modification under subparagraph
 233 (B)(xxiv) of subdivision (20) of subsection (a) of section 12-701 of the
 234 general statutes, as amended by this act, shall be equal to the amount
 235 of interest paid on a qualified student loan, but shall not exceed two
 236 thousand five hundred dollars for each taxpayer, provided (1) the
 237 taxpayer's filing status is any filing status except married filing
 238 separately, (2) no other person is claiming an exemption for the
 239 taxpayer on such other person's return, (3) the taxpayer is legally
 240 obligated to pay interest on a qualified student loan, and (4) the
 241 taxpayer paid interest on a qualified student loan."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>July 1, 2018, and applicable to taxable years commencing on or after January 1, 2018</i>	12-701(a)(20)(B)
Sec. 502	<i>January 1, 2018, and applicable to taxable years commencing on or after January 1, 2018</i>	New section