AN ACT ESTABLISHING A TAX CREDIT FOR EMPLOYERS THAT MAKE PAYMENTS ON LOANS ISSUED TO CERTAIN EMPLOYEES BY THE CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (Effective January 1, 2020, and applicable to taxable years commencing on or after January 1, 2020) (a) As used in this section:

1. "Authority" means the Connecticut Higher Education Supplemental Loan Authority;

2. "Eligible education loan" means a loan issued by the authority to an individual to (A) finance attendance at an institution of higher education, or (B) refinance one or more student loans;

3. "Full-time" means required to work at least thirty-five hours per week;

4. "Qualified employee" means an individual who (A) is a resident of the state, (B) is employed full-time in the state, (C) has received an eligible education loan, and (D) has resided and been employed full-time in the state, (E) has resided in the state for a period of at least three years, and (F) has resided in the state for a period of at least one year immediately before the date of application for the tax credit.

5. The tax credit shall be equal to twenty percent of the amount paid by the employer on behalf of the employee for each eligible education loan.

6. The tax credit shall not exceed five thousand dollars per year for each employee.

7. The tax credit shall not be claimed for any loan paid on behalf of an employee after December 31, 2022.

8. The tax credit shall be claimed by the employer on an annual basis on a form prescribed by the authority.

9. The tax credit shall be claimed in addition to any other tax credits or deductions provided by law.

10. No employer shall receive more than one hundred thousand dollars in tax credits in any taxable year.

11. The authority shall report annually to the General Assembly on the number of employees eligible for the tax credit, the amount of tax credits claimed, and the total amount paid by employers on behalf of employees.
time in the state for at least five years after (i) graduating from an
institution of higher education, or (ii) receiving an eligible education
loan to refinance one or more student loans;

(5) "Qualified employer" means a corporation licensed to operate a
business in the state that is subject to tax under chapter 208 of the
general statutes; and

(6) "Student loan" means any loan in repayment that was issued by
(A) the authority, or (B) any other private or governmental lender to
finance attendance at an institution of higher education.

(b) (1) Except as provided in subdivision (2) of this subsection, each
qualified employer that (A) employs a qualified employee, and (B)
makes a payment directly to the authority on an eligible education
loan on behalf of such employee may claim a credit against the tax
imposed under chapter 208 of the general statutes. Such credit shall be
in an amount equal to fifty per cent of the amount of such payments
made by such qualified employer on behalf of qualified employees
during the taxable year.

(2) A qualified employer may not claim the credit under this
subsection for (A) any loan payment in excess of the amount due by
the eligible employee during the taxable year, or (B) more than five
taxable years with respect to a specific qualified employee.

(c) A qualified employer that claims the credit under subsection (b)
of this section shall provide any documentation required by the
Commissioner of Revenue Services in a form and manner prescribed
by the commissioner.

This act shall take effect as follows and shall amend the following
sections:

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Committee Bill No. 72

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