



General Assembly

January Session, 2019

Committee Bill No. 435

LCO No. 4548



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

***AN ACT ESTABLISHING A TAX CREDIT FOR EMPLOYERS MAKING
EDUCATION LOAN PAYMENTS FOR EMPLOYEES.***

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

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

3 (1) "Qualified employee" means an employee who (A) is required to
4 work at least thirty-five hours per week, (B) is a resident of the state,
5 and (C) is not an owner, member or partner of a qualified employer or
6 a family member of an owner, member or partner of a qualified
7 employer;

8 (2) "Qualified employer" means a corporation licensed to operate a
9 business in the state that employs a qualified employee and is subject
10 to tax under chapter 207 or 208 of the general statutes; and

11 (3) "Eligible education loan" means a loan made by the Connecticut
12 Higher Education Supplemental Loan Authority or by any other
13 private or governmental lender to a qualified employee to finance
14 attendance at a private occupational school or an institution of higher

15 education in the state. "Eligible education loan" does not include a
16 refinanced or consolidated loan, unless the refinanced or consolidated
17 loan is made by the Connecticut Higher Education Supplemental Loan
18 Authority.

19 (b) (1) Commencing January 1, 2020, and in each taxable year
20 thereafter any qualified employer that employs a qualified employee
21 and makes loan payments directly to a lender or lenders on an eligible
22 education loan may claim a credit against the tax imposed under
23 chapter 207 or 208 of the general statutes. Such credit shall be equal to
24 fifty per cent of the amount of the actual monthly loan payment made
25 by such employer on the eligible education loan, multiplied by the
26 number of months during the taxable year such employer made loan
27 payments on behalf of the qualified employee during the term of
28 employment. No qualified employer may claim a credit against the tax
29 imposed under chapters 207 and 208 of the general statutes for the
30 same loan payment amount.

31 (2) A qualified employer may claim a credit under this subsection
32 for loan payments actually made to a relevant lender or lenders only
33 with respect to (A) eligible education loans, and (B) loan payment
34 amounts paid by the qualified employer during that part of the taxable
35 year that the qualified employee worked and resided in the state,
36 provided a qualified employee who worked and resided in the state
37 for any part of a month shall be deemed to have worked in the state for
38 the entire month.

39 (3) A qualified employer may not claim the credit under this
40 subsection (A) with respect to months of the taxable year during which
41 the employee was not a qualified employee, (B) for any loan payments
42 in excess of the amounts due during the taxable year, or (C) for more
43 than three years with respect to any specific qualified employee.

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

47 by the commissioner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2020, and applicable to taxable years commencing on or after January 1, 2020</i>	New section

Statement of Purpose:

To provide a tax credit for employers that make education loan payments for employees.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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SEN. CASSANO, 4th Dist.; SEN. COHEN, 12th Dist.
SEN. ABRAMS, 13th Dist.; SEN. MARONEY, 14th Dist.
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SEN. FLEXER, 29th Dist.; SEN. NEEDLEMAN, 33rd Dist.
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S.B. 435