General Assembly

Amendment

January Session, 2019

LCO No. 8228

Offered by:
SEN. BERGSTEIN, 36th Dist.
SEN. MARONEY, 14th Dist.
SEN. HASKELL, 26th Dist.

To: Senate Bill No. 72
File No. 256
Cal. No. 139

"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."

1 Strike everything after the enacting clause and substitute the following in lieu thereof:

"Section 1. (NEW) (Effective January 1, 2022, and applicable to taxable years commencing on or after January 1, 2022) (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 by a qualified employer, (C) is not an owner, member or partner of such qualified employer or a family member of an owner, member or partner of such qualified employer, and (D) has received an eligible education loan;

(5) "Qualified employer" means a corporation licensed to operate a business in the state that is subject to tax under chapter 207 or 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) Each qualified employer that employs a qualified employee and makes a payment directly to the authority on an eligible education loan on behalf of such qualified employee may claim a credit against the tax imposed under chapter 207 or 208 of the general statutes. Except as provided in subdivision (3) of this subsection, such credit shall be granted in an amount equal to fifty per cent of the amount of payments made to the outstanding principal balance of such loans by the qualified employer during the taxable year, provided the amount of credit allowed for any taxable year with respect to a specific qualified employee shall not exceed two thousand six hundred twenty-five dollars.

(2) A qualified employer may claim the credit under subdivision (1) of this subsection for a payment made during the part of the taxable year the qualified employee worked and resided in the state, provided a qualified employee who worked and resided in the state for any part of a month shall be deemed to have worked and resided in the state for the entire month for purposes of this section.

(3) The credit in subdivision (1) of this subsection shall not be allowed for more than five taxable years with respect to a specific
qualified employee or against the tax imposed under chapters 207 and 208 of the general statutes for the same loan payment.

(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."

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<th>This act shall take effect as follows and shall amend the following sections:</th>
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<td><strong>Section 1</strong></td>
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