"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:
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3 "Section 1. (NEW) (Effective January 1, 2022) (a) As used in this section:
10 (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) For income years commencing on and after January 1, 2022, and prior to January 1, 2027, 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 percent of the amount of payments made to the outstanding principal balance of such loans by the qualified employer during the income year, provided the amount of credit allowed for any income 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 income 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 income 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."

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

| Section 1 | January 1, 2022 | New section |