Amendment

January Session, 2019

LCO No. 7976

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

3 "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:

5 (1) "Authority" means the Connecticut Higher Education Supplemental Loan Authority;

7 (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;

9 (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 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) Each qualified employer that (1) employs a qualified employee, and (2) 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 payments made to the outstanding principal balance of such loans by the qualified employer on behalf of qualified employees during the taxable year, provided (A) the amount of credit allowed for any taxable year with respect to each such qualified employee may not exceed five thousand two hundred fifty dollars, and (B) a qualified employer may not claim the credit for 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:
| Section 1 | January 1, 2020, and applicable to taxable years commencing on or after January 1, 2020 | New section |