

**Proposed Substitute
Bill No. 5029**

LCO No. 2878

**AN ACT ESTABLISHING A TAX CREDIT FOR GRADUATES OF
INSTITUTIONS OF HIGHER EDUCATION AND PRIVATE
OCCUPATIONAL SCHOOLS IN THE STATE.**

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

1 Section 1. (NEW) (*Effective January 1, 2021, and applicable to taxable*
2 *years commencing on or after January 1, 2021*) (a) For the taxable years
3 commencing on or after January 1, 2021, there shall be allowed a credit
4 against the personal income tax imposed under chapter 229 of the
5 general statutes, for any individual who (1) on or after January 1, 2021,
6 receives a bachelor's degree, associate degree or advanced
7 manufacturing certificate from a public or independent institution of
8 higher education or private occupational school in the state, and (2) has
9 a Connecticut adjusted gross income of not more than seventy-five
10 thousand dollars during each taxable year in which the credit is claimed.
11 The credit allowed under this subsection may be claimed for the three
12 successive taxable years after the date of graduation and shall be equal
13 to the individual's qualified education loan expenses during the taxable
14 year, but shall not exceed (A) five hundred dollars annually for an
15 individual with an associate degree or advanced manufacturing
16 certificate, (B) one thousand dollars annually for an individual with a
17 bachelor's degree, or (C) one thousand five hundred dollars annually for
18 an individual (i) with a bachelor's degree, and (ii) employed in certain
19 high-demand fields, as identified by the Office of Higher Education, or
20 in a science, technology, engineering or math-related field. For the

21 purposes of this section, "qualified education loan expenses" means
22 payments that an individual is legally obligated to make on a loan from
23 a private or governmental lender to finance attendance at a public or
24 independent institution of higher education or private occupational
25 school in the state and in an amount that is not offset by any other
26 federal, state or private education loan reimbursement program.

27 (b) The credit allowed pursuant to subsection (a) of this section may
28 only be used to reduce a resident's tax liability under chapter 229 of the
29 general statutes for the year for which such credit is applicable and shall
30 not be used to reduce such tax liability to less than zero.

31 (c) Any individual claiming a credit under subsection (a) of this
32 section shall provide any documentation required by the Commissioner
33 of Revenue Services in a form and manner prescribed by said
34 commissioner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2021, and applicable to taxable years commencing on or after January 1, 2021</i>	New section