



General Assembly

Substitute Bill No. 252

February Session, 2022



AN ACT ESTABLISHING TAX CREDITS FOR EMPLOYERS WHO MAKE PAYMENTS TOWARD TUITION COSTS OF EMPLOYEES AND FOR TAXPAYERS WHO DONATE TO ENDOWED PROFESSORSHIPS.

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

1 Section 1. (NEW) (*Effective July 1, 2022, and applicable to income years*
2 *commencing on or after January 1, 2023*) (a) As used in this section:

3 (1) "Eligible tuition cost" means the expense incurred by a qualified
4 employee for tuition at a public or independent institution of higher
5 education;

6 (2) "Qualified employee" means any individual who works and
7 resides in the state; and

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

11 (b) (1) For income years commencing on or after January 1, 2023, an
12 employer that makes a payment to or on behalf of a qualified employee
13 for an eligible tuition cost of such qualified employee may claim a credit
14 against the tax imposed under chapter 207 or 208 of the general statutes.
15 Such credit shall be equal to fifty per cent of the amount of the payment

16 made during the income year by such employer for an eligible tuition
17 cost and shall not exceed two thousand five hundred dollars for each
18 qualified employee for whom such employer makes such payment. An
19 employer claiming a credit under this section shall not claim any other
20 credit against the employer's tax liability under any provision of the
21 general statutes for the same payment of an eligible tuition cost.

22 (2) An employer may claim the credit under subdivision (1) of this
23 subsection for a payment made during the part of the income year that
24 the qualified employee worked and resided in the state, provided a
25 qualified employee who worked and resided in the state for any part of
26 a month shall be deemed to have worked and resided in the state for the
27 entire month.

28 (c) An employer that claims the credit under subsection (b) of this
29 section shall provide any documentation required by the Commissioner
30 of Revenue Services in a form and manner prescribed by the
31 commissioner.

32 Sec. 2. (NEW) (*Effective July 1, 2022, and applicable to income years and*
33 *taxable years commencing on or after January 1, 2023*) (a) As used in this
34 section:

35 (1) "Taxpayer" means an individual or business entity subject to tax
36 under chapter 207, 208, 212 or 229 of the general statutes; and

37 (2) "Endowed professorship" means a faculty position at a public
38 institution of higher education that is permanently paid for with the
39 revenue from an endowment fund that was specifically established for
40 that purpose.

41 (b) (1) There is established an endowed professorship tax credit
42 program whereby a taxpayer may be allowed a credit against the tax
43 imposed under chapter 207, 208, 212 or 229 of the general statutes, other
44 than the liability imposed by section 12-707 of the general statutes.

45 (2) The tax credit shall be in an amount equal to one hundred per cent

46 of the amount donated by such taxpayer to an endowed professorship
47 at a public institution of higher education in this state, provided (A) the
48 credit shall not exceed fifty thousand dollars for any taxpayer, and (B)
49 the total amount of credits granted to all taxpayers under this section
50 shall not exceed two million dollars in any one fiscal year.

51 (3) The taxpayer shall claim the credit in the income year or taxable
52 year in which it is earned. Any credit not claimed by the taxpayer in
53 such income year or taxable year shall expire and shall not be
54 refundable.

55 (c) If the taxpayer is an S corporation or an entity treated as a
56 partnership for federal income tax purposes, the tax credit may be
57 claimed by the shareholders or partners of such taxpayer. If the taxpayer
58 is a single member limited liability company that is disregarded as an
59 entity separate from its owner, the tax credit may be claimed by the
60 limited liability company's owner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022, and applicable to income years commencing on or after January 1, 2023</i>	New section
Sec. 2	<i>July 1, 2022, and applicable to income years and taxable years commencing on or after January 1, 2023</i>	New section

HED *Joint Favorable Subst.*