



General Assembly

Amendment

January Session, 2023

LCO No. 8915



Offered by:

REP. PARIS, 145 th Dist.	REP. BELTON, 100 th Dist.
REP. WALKER, 93 rd Dist.	SEN. WINFIELD, 10 th Dist.
SEN. OSTEN, 19 th Dist.	SEN. MCCRORY, 2 nd Dist.
REP. NUCCIO, 53 rd Dist.	SEN. CABRERA, 17 th Dist.
SEN. BERTHEL, 32 nd Dist.	REP. MCCARTY K., 38 th Dist.
REP. KAVROS DEGRAW, 17 th Dist.	REP. RUTIGLIANO, 123 rd Dist.
REP. TURCO, 27 th Dist.	REP. ACKERT, 8 th Dist.
REP. SANCHEZ E., 24 th Dist.	REP. KENNEDY, 119 th Dist.
REP. PALM, 36 th Dist.	REP. POLLETTA, 68 th Dist.
REP. NOLAN, 39 th Dist.	REP. KLARIDES-DITRIA, 105 th Dist.
REP. BUMGARDNER, 41 st Dist.	REP. CHALESKI, 138 th Dist.
REP. EXUM, 19 th Dist.	REP. CASE, 63 rd Dist.
REP. WILSON, 46 th Dist.	SEN. CICARELLA, 34 th Dist.
REP. SANTOS, 109 th Dist.	SEN. SOMERS, 18 th Dist.

To: Subst. House Bill No. 6901

File No. 744

Cal. No. 502

"AN ACT CONCERNING A STUDENT LOAN REIMBURSEMENT PROGRAM FOR CERTAIN PROFESSIONALS."

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

3 "Section 1. (NEW) (*Effective July 1, 2023*) (a) On or before January 1,
4 2024, the executive director of the Office of Higher Education shall
5 establish, within available appropriations, a program to reimburse

6 certain persons for student loan payments. The Office of Higher
7 Education may approve the participation of any person in the student
8 loan reimbursement program who (1) (A) attended a state college or
9 university and graduated with a bachelor's degree, (B) left such college
10 or university in good academic standing before graduation, or (C) holds
11 an occupational or professional license or certification issued pursuant
12 to title 20 of the general statutes; (2) is a resident of the state, as defined
13 in section 12-701 of the general statutes, as amended by this act, and has
14 been a resident of the state for not less than five years; (3) has (A) a
15 Connecticut adjusted gross income of not more than one hundred
16 twenty-five thousand dollars and files a return under the federal income
17 tax as an unmarried individual or a married individual filing separately,
18 or (B) a Connecticut adjusted gross income of not more than one
19 hundred seventy-five thousand dollars and files a return under the
20 federal income tax as a head of household, a married individual filing
21 jointly or a surviving spouse, as defined in Section 2(a) of the Internal
22 Revenue Code of 1986, or any subsequent corresponding internal
23 revenue code of the United States, as amended from time to time; and
24 (4) has a student loan. For the purposes of this section "state college or
25 university" means any public or private college or university in the state.

26 (b) Persons who qualify under subsection (a) of this section may
27 apply to the Office of Higher Education to participate in the student loan
28 reimbursement program at such time and in such manner as the
29 executive director of said office prescribes.

30 (c) (1) The executive director of the Office of Higher Education shall
31 award grants to persons approved to participate in the student loan
32 reimbursement program on a first-come, first-served basis, provided
33 such person meets the requirements of this subsection.

34 (2) Each participant in the program shall volunteer for a nonprofit
35 organization in the state for not less than fifty unpaid hours for each
36 year of participation in the student loan reimbursement program. For
37 purposes of this section, "volunteer hours" shall include, but need not
38 be limited to, service on the board of directors for a nonprofit

39 organization and military service.

40 (3) Each participant in the program shall annually submit receipts of
41 payment on student loans and evidence of having completed such
42 volunteer hours to the Office of Higher Education in the manner
43 prescribed by the executive director.

44 (4) The Office of Higher Education shall reimburse each program
45 participant who meets the requirements of this section for student loan
46 payments an amount of not more than five thousand dollars, annually,
47 provided no person shall participate in the student loan reimbursement
48 program for more than four years or receive more than twenty thousand
49 dollars in aggregate reimbursement for student loan payments.

50 (d) The Office of Higher Education may use up to two and one-half
51 per cent of the funds appropriated for purposes of this section, annually,
52 for program administration, promotion and recruitment activities.

53 (e) Not later than July 1, 2025, and each January and July thereafter,
54 the executive director of the Office of Higher Education shall report, in
55 accordance with the provisions of section 11-4a of the general statutes,
56 to the joint standing committees of the General Assembly having
57 cognizance of matters relating to higher education and employment
58 advancement and appropriations and the budgets of state agencies on
59 the operation and effectiveness of the program and any
60 recommendations to expand the program.

61 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
62 section 12-701 of the general statutes is repealed and the following is
63 substituted in lieu thereof (*Effective January 1, 2024, and applicable to*
64 *taxable years commencing on or after January 1, 2024*):

65 (B) There shall be subtracted therefrom:

66 (i) To the extent properly includable in gross income for federal
67 income tax purposes, any income with respect to which taxation by any
68 state is prohibited by federal law;

69 (ii) To the extent allowable under section 12-718, exempt dividends
70 paid by a regulated investment company;

71 (iii) To the extent properly includable in gross income for federal
72 income tax purposes, the amount of any refund or credit for
73 overpayment of income taxes imposed by this state, or any other state
74 of the United States or a political subdivision thereof, or the District of
75 Columbia;

76 (iv) To the extent properly includable in gross income for federal
77 income tax purposes and not otherwise subtracted from federal
78 adjusted gross income pursuant to clause (x) of this subparagraph in
79 computing Connecticut adjusted gross income, any tier 1 railroad
80 retirement benefits;

81 (v) To the extent any additional allowance for depreciation under
82 Section 168(k) of the Internal Revenue Code for property placed in
83 service after September 27, 2017, was added to federal adjusted gross
84 income pursuant to subparagraph (A)(ix) of this subdivision in
85 computing Connecticut adjusted gross income, twenty-five per cent of
86 such additional allowance for depreciation in each of the four
87 succeeding taxable years;

88 (vi) To the extent properly includable in gross income for federal
89 income tax purposes, any interest income from obligations issued by or
90 on behalf of the state of Connecticut, any political subdivision thereof,
91 or public instrumentality, state or local authority, district or similar
92 public entity created under the laws of the state of Connecticut;

93 (vii) To the extent properly includable in determining the net gain or
94 loss from the sale or other disposition of capital assets for federal income
95 tax purposes, any gain from the sale or exchange of obligations issued
96 by or on behalf of the state of Connecticut, any political subdivision
97 thereof, or public instrumentality, state or local authority, district or
98 similar public entity created under the laws of the state of Connecticut,
99 in the income year such gain was recognized;

100 (viii) Any interest on indebtedness incurred or continued to purchase
101 or carry obligations or securities the interest on which is subject to tax
102 under this chapter but exempt from federal income tax, to the extent that
103 such interest on indebtedness is not deductible in determining federal
104 adjusted gross income and is attributable to a trade or business carried
105 on by such individual;

106 (ix) Ordinary and necessary expenses paid or incurred during the
107 taxable year for the production or collection of income which is subject
108 to taxation under this chapter but exempt from federal income tax, or
109 the management, conservation or maintenance of property held for the
110 production of such income, and the amortizable bond premium for the
111 taxable year on any bond the interest on which is subject to tax under
112 this chapter but exempt from federal income tax, to the extent that such
113 expenses and premiums are not deductible in determining federal
114 adjusted gross income and are attributable to a trade or business carried
115 on by such individual;

116 (x) (I) For taxable years commencing prior to January 1, 2019, for a
117 person who files a return under the federal income tax as an unmarried
118 individual whose federal adjusted gross income for such taxable year is
119 less than fifty thousand dollars, or as a married individual filing
120 separately whose federal adjusted gross income for such taxable year is
121 less than fifty thousand dollars, or for a husband and wife who file a
122 return under the federal income tax as married individuals filing jointly
123 whose federal adjusted gross income for such taxable year is less than
124 sixty thousand dollars or a person who files a return under the federal
125 income tax as a head of household whose federal adjusted gross income
126 for such taxable year is less than sixty thousand dollars, an amount
127 equal to the Social Security benefits includable for federal income tax
128 purposes;

129 (II) For taxable years commencing prior to January 1, 2019, for a
130 person who files a return under the federal income tax as an unmarried
131 individual whose federal adjusted gross income for such taxable year is
132 fifty thousand dollars or more, or as a married individual filing

133 separately whose federal adjusted gross income for such taxable year is
134 fifty thousand dollars or more, or for a husband and wife who file a
135 return under the federal income tax as married individuals filing jointly
136 whose federal adjusted gross income from such taxable year is sixty
137 thousand dollars or more or for a person who files a return under the
138 federal income tax as a head of household whose federal adjusted gross
139 income for such taxable year is sixty thousand dollars or more, an
140 amount equal to the difference between the amount of Social Security
141 benefits includable for federal income tax purposes and the lesser of
142 twenty-five per cent of the Social Security benefits received during the
143 taxable year, or twenty-five per cent of the excess described in Section
144 86(b)(1) of the Internal Revenue Code;

145 (III) For the taxable year commencing January 1, 2019, and each
146 taxable year thereafter, for a person who files a return under the federal
147 income tax as an unmarried individual whose federal adjusted gross
148 income for such taxable year is less than seventy-five thousand dollars,
149 or as a married individual filing separately whose federal adjusted gross
150 income for such taxable year is less than seventy-five thousand dollars,
151 or for a husband and wife who file a return under the federal income tax
152 as married individuals filing jointly whose federal adjusted gross
153 income for such taxable year is less than one hundred thousand dollars
154 or a person who files a return under the federal income tax as a head of
155 household whose federal adjusted gross income for such taxable year is
156 less than one hundred thousand dollars, an amount equal to the Social
157 Security benefits includable for federal income tax purposes; and

158 (IV) For the taxable year commencing January 1, 2019, and each
159 taxable year thereafter, for a person who files a return under the federal
160 income tax as an unmarried individual whose federal adjusted gross
161 income for such taxable year is seventy-five thousand dollars or more,
162 or as a married individual filing separately whose federal adjusted gross
163 income for such taxable year is seventy-five thousand dollars or more,
164 or for a husband and wife who file a return under the federal income tax
165 as married individuals filing jointly whose federal adjusted gross
166 income from such taxable year is one hundred thousand dollars or more

167 or for a person who files a return under the federal income tax as a head
168 of household whose federal adjusted gross income for such taxable year
169 is one hundred thousand dollars or more, an amount equal to the
170 difference between the amount of Social Security benefits includable for
171 federal income tax purposes and the lesser of twenty-five per cent of the
172 Social Security benefits received during the taxable year, or twenty-five
173 per cent of the excess described in Section 86(b)(1) of the Internal
174 Revenue Code;

175 (xi) To the extent properly includable in gross income for federal
176 income tax purposes, any amount rebated to a taxpayer pursuant to
177 section 12-746;

178 (xii) To the extent properly includable in the gross income for federal
179 income tax purposes of a designated beneficiary, any distribution to
180 such beneficiary from any qualified state tuition program, as defined in
181 Section 529(b) of the Internal Revenue Code, established and
182 maintained by this state or any official, agency or instrumentality of the
183 state;

184 (xiii) To the extent allowable under section 12-701a, contributions to
185 accounts established pursuant to any qualified state tuition program, as
186 defined in Section 529(b) of the Internal Revenue Code, established and
187 maintained by this state or any official, agency or instrumentality of the
188 state;

189 (xiv) To the extent properly includable in gross income for federal
190 income tax purposes, the amount of any Holocaust victims' settlement
191 payment received in the taxable year by a Holocaust victim;

192 (xv) To the extent properly includable in gross income for federal
193 income tax purposes of an account holder, as defined in section 31-
194 51ww, interest earned on funds deposited in the individual
195 development account, as defined in section 31-51ww, of such account
196 holder;

197 (xvi) To the extent properly includable in the gross income for federal

198 income tax purposes of a designated beneficiary, as defined in section
199 3-123aa, interest, dividends or capital gains earned on contributions to
200 accounts established for the designated beneficiary pursuant to the
201 Connecticut Homecare Option Program for the Elderly established by
202 sections 3-123aa to 3-123ff, inclusive;

203 (xvii) To the extent properly includable in gross income for federal
204 income tax purposes, any income received from the United States
205 government as retirement pay for a retired member of (I) the Armed
206 Forces of the United States, as defined in Section 101 of Title 10 of the
207 United States Code, or (II) the National Guard, as defined in Section 101
208 of Title 10 of the United States Code;

209 (xviii) To the extent properly includable in gross income for federal
210 income tax purposes for the taxable year, any income from the discharge
211 of indebtedness in connection with any reacquisition, after December
212 31, 2008, and before January 1, 2011, of an applicable debt instrument or
213 instruments, as those terms are defined in Section 108 of the Internal
214 Revenue Code, as amended by Section 1231 of the American Recovery
215 and Reinvestment Act of 2009, to the extent any such income was added
216 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
217 this subdivision in computing Connecticut adjusted gross income for a
218 preceding taxable year;

219 (xix) To the extent not deductible in determining federal adjusted
220 gross income, the amount of any contribution to a manufacturing
221 reinvestment account established pursuant to section 32-9zz in the
222 taxable year that such contribution is made;

223 (xx) To the extent properly includable in gross income for federal
224 income tax purposes, (I) for the taxable year commencing January 1,
225 2015, ten per cent of the income received from the state teachers'
226 retirement system, (II) for the taxable years commencing January 1,
227 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
228 received from the state teachers' retirement system, and (III) for the
229 taxable year commencing January 1, 2021, and each taxable year

230 thereafter, fifty per cent of the income received from the state teachers'
231 retirement system or, for a taxpayer whose federal adjusted gross
232 income does not exceed the applicable threshold under clause (xxi) of
233 this subparagraph, the percentage pursuant to said clause of the income
234 received from the state teachers' retirement system, whichever
235 deduction is greater;

236 (xxi) To the extent properly includable in gross income for federal
237 income tax purposes, except for retirement benefits under clause (iv) of
238 this subparagraph and retirement pay under clause (xvii) of this
239 subparagraph, for a person who files a return under the federal income
240 tax as an unmarried individual whose federal adjusted gross income for
241 such taxable year is less than seventy-five thousand dollars, or as a
242 married individual filing separately whose federal adjusted gross
243 income for such taxable year is less than seventy-five thousand dollars,
244 or as a head of household whose federal adjusted gross income for such
245 taxable year is less than seventy-five thousand dollars, or for a husband
246 and wife who file a return under the federal income tax as married
247 individuals filing jointly whose federal adjusted gross income for such
248 taxable year is less than one hundred thousand dollars, (I) for the taxable
249 year commencing January 1, 2019, fourteen per cent of any pension or
250 annuity income, (II) for the taxable year commencing January 1, 2020,
251 twenty-eight per cent of any pension or annuity income, (III) for the
252 taxable year commencing January 1, 2021, forty-two per cent of any
253 pension or annuity income, and (IV) for the taxable year commencing
254 January 1, 2022, and each taxable year thereafter, one hundred per cent
255 of any pension or annuity income;

256 (xxii) The amount of lost wages and medical, travel and housing
257 expenses, not to exceed ten thousand dollars in the aggregate, incurred
258 by a taxpayer during the taxable year in connection with the donation
259 to another person of an organ for organ transplantation occurring on or
260 after January 1, 2017;

261 (xxiii) To the extent properly includable in gross income for federal
262 income tax purposes, the amount of any financial assistance received

263 from the Crumbling Foundations Assistance Fund or paid to or on
264 behalf of the owner of a residential building pursuant to sections 8-442
265 and 8-443;

266 (xxiv) To the extent properly includable in gross income for federal
267 income tax purposes, the amount calculated pursuant to subsection (b)
268 of section 12-704g for income received by a general partner of a venture
269 capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to
270 time;

271 (xxv) To the extent any portion of a deduction under Section 179 of
272 the Internal Revenue Code was added to federal adjusted gross income
273 pursuant to subparagraph (A)(xiv) of this subdivision in computing
274 Connecticut adjusted gross income, twenty-five per cent of such
275 disallowed portion of the deduction in each of the four succeeding
276 taxable years;

277 (xxvi) To the extent properly includable in gross income for federal
278 income tax purposes, for a person who files a return under the federal
279 income tax as an unmarried individual whose federal adjusted gross
280 income for such taxable year is less than seventy-five thousand dollars,
281 or as a married individual filing separately whose federal adjusted gross
282 income for such taxable year is less than seventy-five thousand dollars,
283 or as a head of household whose federal adjusted gross income for such
284 taxable year is less than seventy-five thousand dollars, or for a husband
285 and wife who file a return under the federal income tax as married
286 individuals filing jointly whose federal adjusted gross income for such
287 taxable year is less than one hundred thousand dollars, (I) for the taxable
288 year commencing January 1, 2023, twenty-five per cent of any
289 distribution from an individual retirement account other than a Roth
290 individual retirement account, (II) for the taxable year commencing
291 January 1, 2024, fifty per cent of any distribution from an individual
292 retirement account other than a Roth individual retirement account, (III)
293 for the taxable year commencing January 1, 2025, seventy-five per cent
294 of any distribution from an individual retirement account other than a
295 Roth individual retirement account, and (IV) for the taxable year

296 commencing January 1, 2026, and each taxable year thereafter, any
297 distribution from an individual retirement account other than a Roth
298 individual retirement account; [and]

299 (xxvii) To the extent properly includable in gross income for federal
300 income tax purposes, for the taxable year commencing January 1, 2022,
301 the amount or amounts paid or otherwise credited to any eligible
302 resident of this state under (I) the 2020 Earned Income Tax Credit
303 enhancement program from funding allocated to the state through the
304 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,
305 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned
306 Income Tax Credit enhancement program from funding allocated to the
307 state pursuant to Section 9901 of Subtitle M of Title IX of the American
308 Rescue Plan Act of 2021, P.L. 117-2; and

309 (xxviii) To the extent properly includable in gross income for federal
310 income tax purposes, the amount of any student loan reimbursement
311 payment received by a taxpayer pursuant to section 1 of this act."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	New section
Sec. 2	<i>January 1, 2024, and applicable to taxable years commencing on or after January 1, 2024</i>	12-701(a)(20)(B)