



Substitute Senate Bill No. 13

Public Act No. 24-52

AN ACT INCENTIVIZING STUDENT LOAN REPAYMENT ASSISTANCE.

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

Section 1. Section 12-217qq of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2025, and applicable to calendar and income years commencing on or after January 1, 2025*):

(a) As used in this section:

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

[(2)] (1) "Commissioner" means the Commissioner of Revenue Services;

[(3) "Eligible education loan" means an authority loan, as defined in section 10a-223, that is in repayment;]

[(4)] (2) "Full-time" means required to work at least thirty-five hours per week;

[(5)] (3) "Qualified employee" means an individual who (A) is a resident of the state, (B) has earned his or her first bachelor's degree from

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an institution of higher education in the immediately preceding five-year period, (C) is employed full-time in the state by a qualified employer, (D) 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 (E) has received [an eligible] a student education loan;

[(6)] (4) "Qualified employer" means a corporation licensed to operate a business in the state that is subject to tax under this chapter or chapter 207; [and]

[(7)] (5) "Qualified small business" means a qualified employer that has gross receipts of not more than five million dollars for the calendar or income year, as applicable, for which a credit under this section is allowed;

(6) "Student education loan" has the same meaning as provided in section 36a-846; and

(7) "Student loan servicer" has the same meaning as provided in section 36a-846.

(b) (1) For calendar or income years commencing on and after January 1, [2022] 2025, each qualified employer that employs a qualified employee and makes a payment directly to [the authority] a student loan servicer on behalf of such qualified employee on [an eligible] a student education loan that was used to finance the qualified employee's attendance at an institution of higher education [may claim] shall be eligible for a credit against the tax imposed under this chapter or chapter 207. Such credit shall be [granted 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 during the calendar or income year, provided (A) the credit shall not be allowed against the tax imposed under this chapter and chapter 207 for the same loan payment,

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and (B) the amount of credit allowed for any calendar or 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 calendar or 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.

(c) (1) To claim a credit under subsection (b) of this section, an eligible qualified employer shall file an application with the commissioner in a form and manner prescribed by the commissioner. Such qualified employer shall include a list of qualified employees for whom the qualified employer will be making a payment pursuant to subsection (b) of this section, the total amount the qualified employer will pay toward such qualified employees' student education loans in the calendar or income year, the student loan servicer for each such student education loan and such other information as the commissioner may require for purposes of this section. Upon receipt of an application, the commissioner shall determine and reserve the amount of the credit the qualified employer will be entitled to claim and shall issue a voucher for such amount to the qualified employer. A qualified employer may not claim for any calendar or income year more than the amount set forth in such voucher.

(2) The aggregate amount of tax credits that may be reserved by the commissioner under this section shall not exceed ten million dollars in any one calendar or income year and credits shall be reserved in the order of applications received by the commissioner.

[(c)] (3) A qualified employer that claims the credit under subsection (b) of this section shall provide any documentation required by the

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commissioner in a form and manner prescribed by the commissioner.

(d) (1) A qualified small business may apply to the commissioner in accordance with the provisions of subdivision (2) of this subsection to exchange any credit allowed under subsection (b) of this section for a credit refund equal to the value of the credit. Any amount of credit refunded under this subsection shall be refunded to the qualified small business in accordance with the provisions of this chapter or chapter 207, as applicable. No interest shall be allowed or paid on any amount of credit refunded under this subsection. Any amount of credit refunded under this subsection shall be subject to the provisions of section 12-39h.

(2) Each application for a credit refund under this subsection shall be filed, on such forms and containing such information as prescribed by the commissioner, on or before the original due date of the return prescribed under section 12-205 or 12-222, as applicable, for the calendar or income year for which such credit was earned or, if applicable, the extended due date of such year's return. No application for a credit refund under this subsection may be filed after the due date or extended due date, as the case may be, of such return.

(3) A qualified small business may not exchange for any calendar or income year more than the amount of the credit set forth in the voucher issued by the commissioner pursuant to subsection (c) of this section.

Sec. 2. (NEW) (*Effective July 1, 2024*) (a) As used in this section, "authority loan" and "eligible loan" have the same meanings as provided in section 10a-223 of the general statutes.

(b) The Connecticut Higher Education Supplemental Loan Authority shall, subject to available funding pursuant to subsection (d) of this section, establish a High Priority Occupation Loan Subsidy Program to subsidize interest rates on authority loans issued to refinance eligible loans to individuals who are employed in a high priority occupation and

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meet eligibility criteria established pursuant to subsection (c) of this section.

(c) The authority shall consult with the Office of Workforce Strategy to: (1) Designate, as high priority occupations under the High Priority Occupation Loan Subsidy Program, occupations that (A) promote the health, welfare or education of residents of the state, (B) have a high demand for their services, as determined by the authority and the office, and (C) are experiencing or are projected to experience a workforce shortage that may affect the level of services provided; (2) establish administrative guidelines for the implementation and operation of the program; and (3) establish eligibility criteria for the program, which shall include, but need not be limited to, (A) applicant requirements, including employment requirements, (B) interest rate subsidies and principal limits on authority loans subject to the program, (C) the process for verifying the employment of applicants, and (D) the requirement that an interest rate subsidy through the program shall terminate for any subsidy recipient who ceases to meet the employment requirements of the program during the term of such recipient's authority loan.

(d) The authority shall maintain a separate, nonlapsing account to hold funds for the High Priority Occupation Loan Subsidy Program. The account shall contain any moneys required by law to be deposited in the account, including, but not limited to, any state appropriation or the proceeds from the sale of bonds issued for the purpose of the program. Moneys in the account shall be used (1) for the purposes of the program and for reasonable and necessary expenses for the administration of such program, (2) for the issuance of authority loans to refinance one or more eligible loans, and (3) to maintain a reserve held by the authority to cover any losses incurred by the authority from the issuance of such authority loans.

Approved May 28, 2024