

OFFICE OF FISCAL ANALYSIS

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sHB-6884

AN ACT EXPANDING TAX CREDITS FOR STUDENT LOAN PAYMENTS TO INCLUDE EMPLOYERS SUBJECT TO TAX UNDER CHAPTER 229.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Revenue Serv., Dept.	GF - Revenue Loss	None	Up to 10 million
Revenue Serv., Dept.	GF - Cost	None	Up to 175,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which expands the types of employers that may earn a tax credit for making student loan payments on behalf of qualified employees, results in a (1) General Fund revenue loss of up to \$10 million annually beginning in FY 27 and (2) one-time cost to the Department of Revenue Services of up to \$175,000 in FY 27 associated with programming updates to the CTax tax administration system and myconneCT online portal, and form modification.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the \$10 million annual credit cap.

Primary Analyst: CW
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