



General Assembly

February Session, 2024

**Governor's Bill No. 13**

LCO No. 479



Referred to Committee on HIGHER EDUCATION AND  
EMPLOYMENT ADVANCEMENT

Introduced by:

Request of the Governor Pursuant  
to Joint Rule 9

**AN ACT INCENTIVIZING STUDENT LOAN REPAYMENT  
ASSISTANCE.**

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

1 Section 1. Section 12-217qq of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective January 1, 2025, and*  
3 *applicable to calendar and income years commencing on or after January 1,*  
4 *2025*):

5 (a) As used in this section:

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

8 [(2)] (1) "Commissioner" means the Commissioner of Revenue  
9 Services;

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

12 [(4)] (2) "Full-time" means required to work at least thirty-five hours  
13 per week;

14 [(5)] (3) "Qualified employee" means an individual who (A) is a  
15 resident of the state, (B) has earned his or her first bachelor's degree from  
16 an institution of higher education in the immediately preceding five-  
17 year period, (C) is employed full-time in the state by a qualified  
18 employer, (D) is not an owner, member or partner of such qualified  
19 employer or a family member of an owner, member or partner of such  
20 qualified employer, and (E) has received [an eligible] a student  
21 education loan;

22 [(6)] (4) "Qualified employer" means a corporation licensed to operate  
23 a business in the state that is subject to tax under this chapter or chapter  
24 207; [and]

25 [(7)] (5) "Qualified small business" means a qualified employer that  
26 has gross receipts of not more than five million dollars for the calendar  
27 or income year, as applicable, for which a credit under this section is  
28 allowed;

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

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

33 (b) (1) For calendar or income years commencing on and after January  
34 1, [2022] 2025, each qualified employer that employs a qualified  
35 employee and makes a payment directly to [the authority] a student  
36 loan servicer on behalf of such qualified employee on [an eligible] a  
37 student education loan that was used to finance the qualified  
38 employee's attendance at an institution of higher education [may claim]  
39 shall be eligible for a credit against the tax imposed under this chapter  
40 or chapter 207. Such credit shall be [granted in an amount] equal to fifty  
41 per cent of the amount of payments made to the outstanding principal  
42 balance of such loans by the qualified employer during the calendar or

43 income year, provided (A) the credit shall not be allowed against the tax  
44 imposed under this chapter and chapter 207 for the same loan payment,  
45 and (B) the amount of credit allowed for any calendar or income year  
46 with respect to a specific qualified employee shall not exceed two  
47 thousand six hundred twenty-five dollars.

48 (2) A qualified employer may claim the credit under subdivision (1)  
49 of this subsection for a payment made during the part of the calendar or  
50 income year the qualified employee worked and resided in the state,  
51 provided a qualified employee who worked and resided in the state for  
52 any part of a month shall be deemed to have worked and resided in the  
53 state for the entire month for purposes of this section.

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

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

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

75 commissioner in a form and manner prescribed by the commissioner.

76 (d) (1) A qualified small business may apply to the commissioner in  
77 accordance with the provisions of subdivision (2) of this subsection to  
78 exchange any credit allowed under subsection (b) of this section for a  
79 credit refund equal to the value of the credit. Any amount of credit  
80 refunded under this subsection shall be refunded to the qualified small  
81 business in accordance with the provisions of this chapter or chapter  
82 207, as applicable. No interest shall be allowed or paid on any amount  
83 of credit refunded under this subsection. Any amount of credit refunded  
84 under this subsection shall be subject to the provisions of section 12-39h.

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

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

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

99 (b) The Connecticut Higher Education Supplemental Loan Authority  
100 shall, subject to available funding pursuant to subsection (d) of this  
101 section, establish a High Priority Occupation Loan Subsidy Program to  
102 subsidize interest rates on authority loans issued to refinance eligible  
103 loans to individuals who are employed in a high priority occupation and  
104 meet eligibility criteria established pursuant to subsection (c) of this  
105 section.

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

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

134 Sec. 3. Section 10a-161 of the general statutes is repealed and the  
135 following is substituted in lieu thereof (*Effective July 1, 2024*):

136 The Office of Higher Education shall: (1) Establish state-wide policy  
137 pertaining to student financial assistance; (2) establish procedure by  
138 regulation, for the award of financial assistance under [sections 10a-167

139 and] section 10a-173; (3) review and approve applications for financial  
140 assistance under sections 10a-168 and 10a-173; (4) [receive and review  
141 records of all financial assistance granted pursuant to section 10a-167;  
142 (5)] increase the availability of the state financial assistance programs to  
143 all segments of the state population, with significant attention to those  
144 with special needs; and [(6)] (5) assist financial aid officers at institutions  
145 of higher education and secondary school guidance counselors and  
146 school counselors in becoming better informed about matters  
147 concerning student financial assistance affairs.

148 Sec. 4. Subsection (a) of section 10a-1d of the general statutes is  
149 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
150 *2024*):

151 (a) There is established an Office of Higher Education. The Office of  
152 Higher Education shall administer the programs set forth in sections 10-  
153 155d, 10a-10a, 10a-11, 10a-11a, 10a-17d, 10a-19g, 10a-34 to 10a-34f,  
154 inclusive, 10a-35, 10a-166, 10a-168a, 10a-169a [, 10a-169b] and 10a-173.  
155 The Office of Higher Education shall be responsible for approving any  
156 action taken pursuant to sections 10a-34 to 10a-34f, inclusive, and for  
157 disseminating information throughout the state regarding  
158 postsecondary education opportunities available in the state.

159 Sec. 5. Section 32-8a of the general statutes is repealed and the  
160 following is substituted in lieu thereof (*Effective July 1, 2024*):

161 The Department of Economic and Community Development shall  
162 maintain a registry of qualifying electronic commerce or information  
163 technology intensive companies for the purposes of [sections] section  
164 10a-169a. [and 10a-169b.] An updated registry shall be made available  
165 on the department's web page.

166 Sec. 6. Subsection (a) of section 19a-6r of the general statutes is  
167 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
168 *2024*):

169 (a) As used in sections 19a-6i [, 19a-7d] and 19a-638:

170 (1) "School-based health center" means a health center that: (A) Is  
 171 located in, or on the grounds of, a school facility of a school district or  
 172 school board or of an Indian tribe or tribal organization; (B) is organized  
 173 through school, community and health provider relationships; (C) is  
 174 administered by a sponsoring facility; and (D) provides comprehensive  
 175 on-site medical and behavioral health services to children and  
 176 adolescents in accordance with state and local law, including laws  
 177 relating to licensure and certification.

178 (2) "Expanded school health site" means a health center that: (A) Is  
 179 located in, or on the grounds of, a school facility of a school district or  
 180 school board; (B) is organized through school, community and health  
 181 provider relationships; (C) is administered by a sponsoring facility; and  
 182 (D) provides medical or behavioral services, including, but not limited  
 183 to, dental services, counseling, health education, health screening and  
 184 prevention services, to children and adolescents in accordance with  
 185 state and local law, including laws relating to licensure and certification.

186 (3) "Sponsoring facility" means a: (A) Hospital; (B) public health  
 187 department; (C) community health center; (D) nonprofit health or  
 188 human services agency; (E) school or school system; or (F) program  
 189 administered by the Indian Health Service or the Bureau of Indian  
 190 Affairs or operated by an Indian tribe or a tribal organization.

191 Sec. 7. Sections 10a-19e, 10a-19f, 10a-19i, 10a-162a, 10a-164b, 10a-167,  
 192 10a-169b and 19a-7d of the general statutes are repealed. (*Effective July*  
 193 *1, 2024*)

194 Sec. 8. Section 10a-19j of the 2024 supplement to the general statutes  
 195 is repealed. (*Effective July 1, 2024*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2025, and applicable to calendar and income years commencing on or after January 1, 2025</i>	12-217qq

Sec. 2	<i>July 1, 2024</i>	New section
Sec. 3	<i>July 1, 2024</i>	10a-161
Sec. 4	<i>July 1, 2024</i>	10a-1d(a)
Sec. 5	<i>July 1, 2024</i>	32-8a
Sec. 6	<i>July 1, 2024</i>	19a-6r(a)
Sec. 7	<i>July 1, 2024</i>	Repealer section
Sec. 8	<i>July 1, 2024</i>	Repealer section

**Statement of Purpose:**

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*