



General Assembly

Substitute Bill No. 6901

January Session, 2023



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

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

1 Section 1. (NEW) (*Effective July 1, 2023*) (a) On or before October 1,
2 2023, the executive director of the Office of Higher Education shall
3 establish a pilot program to reimburse certain professionals for student
4 loan payments. The Office of Higher Education shall approve the
5 participation of any person in the student loan reimbursement pilot
6 program who (1) attended a state college or university and graduated
7 with a bachelor's degree or left such college or university in good
8 standing before graduation; (2) is currently a resident of the state, and
9 has been a resident of the state for not less than five consecutive years
10 after graduation from a state college or university, as shown on the
11 person's Connecticut income tax return; (3) earns the majority of such
12 person's income through employment in the state, as evidenced on such
13 person's Connecticut income tax return, for two years prior to
14 participation in the program; (4) is employed full-time as a nurse,
15 teacher or in the field of child care, mental health or social services; (5)
16 has (A) a Connecticut adjusted gross income of not more than one
17 hundred thousand dollars and files a return under the federal income
18 tax as an unmarried individual or a married individual filing separately,
19 or (B) a Connecticut adjusted gross income of not more than one

20 hundred twenty-five thousand dollars and files a return under the
21 federal income tax as a head of household, a married individual filing
22 jointly or a surviving spouse, as defined in Section 2(a) of the Internal
23 Revenue Code of 1986, or any subsequent corresponding internal
24 revenue code of the United States, as amended from time to time; and
25 (6) has a student loan. For the purposes of this section "state college or
26 university" means any public or private college or university in the state.

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

31 (c) Each person approved to participate in the student loan
32 reimbursement pilot program shall annually submit receipts of
33 payment on student loans to the Office of Higher Education in the
34 manner prescribed by the executive director. The Office of Higher
35 Education shall (1) reimburse such person for such student loan
36 payments an amount of not more than five thousand dollars, annually,
37 provided no person shall participate in the student loan reimbursement
38 pilot program for more than four years or receive more than twenty
39 thousand dollars in aggregate reimbursement for student loan
40 payments, and (2) require such person to volunteer for an approved
41 nonprofit organization in the state for not less than fifty unpaid hours
42 for each year of participation in the student loan reimbursement
43 program. For purposes of this section, volunteer hours may include
44 service on the board of directors for a nonprofit organization or military
45 service.

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

49 (e) Not later than January 1, 2025, and annually thereafter, the
50 executive director of the Office of Higher Education shall report, in
51 accordance with the provisions of section 11-4a of the general statutes,

52 to the joint standing committees of the General Assembly having
53 cognizance of matters relating to higher education and employment
54 advancement and appropriations and the budgets of state agencies on
55 the operation and effectiveness of the pilot program and any
56 recommendations to expand the pilot program.

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

61 (B) There shall be subtracted therefrom:

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

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

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

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

77 (v) To the extent any additional allowance for depreciation under
78 Section 168(k) of the Internal Revenue Code for property placed in
79 service after September 27, 2017, was added to federal adjusted gross
80 income pursuant to subparagraph (A)(ix) of this subdivision in
81 computing Connecticut adjusted gross income, twenty-five per cent of

82 such additional allowance for depreciation in each of the four
83 succeeding taxable years;

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

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

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

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

112 (x) (I) For taxable years commencing prior to January 1, 2019, for a

113 person who files a return under the federal income tax as an unmarried
114 individual whose federal adjusted gross income for such taxable year is
115 less than fifty thousand dollars, or as a married individual filing
116 separately whose federal adjusted gross income for such taxable year is
117 less than fifty thousand dollars, or for a husband and wife who file a
118 return under the federal income tax as married individuals filing jointly
119 whose federal adjusted gross income for such taxable year is less than
120 sixty thousand dollars or a person who files a return under the federal
121 income tax as a head of household whose federal adjusted gross income
122 for such taxable year is less than sixty thousand dollars, an amount
123 equal to the Social Security benefits includable for federal income tax
124 purposes;

125 (II) For taxable years commencing prior to January 1, 2019, for a
126 person who files a return under the federal income tax as an unmarried
127 individual whose federal adjusted gross income for such taxable year is
128 fifty thousand dollars or more, or as a married individual filing
129 separately whose federal adjusted gross income for such taxable year is
130 fifty thousand dollars or more, or for a husband and wife who file a
131 return under the federal income tax as married individuals filing jointly
132 whose federal adjusted gross income from such taxable year is sixty
133 thousand dollars or more or for a person who files a return under the
134 federal income tax as a head of household whose federal adjusted gross
135 income for such taxable year is sixty thousand dollars or more, an
136 amount equal to the difference between the amount of Social Security
137 benefits includable for federal income tax purposes and the lesser of
138 twenty-five per cent of the Social Security benefits received during the
139 taxable year, or twenty-five per cent of the excess described in Section
140 86(b)(1) of the Internal Revenue Code;

141 (III) For the taxable year commencing January 1, 2019, and each
142 taxable year thereafter, for a person who files a return under the federal
143 income tax as an unmarried individual whose federal adjusted gross
144 income for such taxable year is less than seventy-five thousand dollars,
145 or as a married individual filing separately whose federal adjusted gross

146 income for such taxable year is less than seventy-five thousand dollars,
147 or for a husband and wife who file a return under the federal income tax
148 as married individuals filing jointly whose federal adjusted gross
149 income for such taxable year is less than one hundred thousand dollars
150 or a person who files a return under the federal income tax as a head of
151 household whose federal adjusted gross income for such taxable year is
152 less than one hundred thousand dollars, an amount equal to the Social
153 Security benefits includable for federal income tax purposes; and

154 (IV) For the taxable year commencing January 1, 2019, and each
155 taxable year thereafter, for a person who files a return under the federal
156 income tax as an unmarried individual whose federal adjusted gross
157 income for such taxable year is seventy-five thousand dollars or more,
158 or as a married individual filing separately whose federal adjusted gross
159 income for such taxable year is seventy-five thousand dollars or more,
160 or for a husband and wife who file a return under the federal income tax
161 as married individuals filing jointly whose federal adjusted gross
162 income from such taxable year is one hundred thousand dollars or more
163 or for a person who files a return under the federal income tax as a head
164 of household whose federal adjusted gross income for such taxable year
165 is one hundred thousand dollars or more, an amount equal to the
166 difference between the amount of Social Security benefits includable for
167 federal income tax purposes and the lesser of twenty-five per cent of the
168 Social Security benefits received during the taxable year, or twenty-five
169 per cent of the excess described in Section 86(b)(1) of the Internal
170 Revenue Code;

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

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

179 state;

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

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

188 (xv) To the extent properly includable in gross income for federal
189 income tax purposes of an account holder, as defined in section 31-
190 51ww, interest earned on funds deposited in the individual
191 development account, as defined in section 31-51ww, of such account
192 holder;

193 (xvi) To the extent properly includable in the gross income for federal
194 income tax purposes of a designated beneficiary, as defined in section
195 3-123aa, interest, dividends or capital gains earned on contributions to
196 accounts established for the designated beneficiary pursuant to the
197 Connecticut Homecare Option Program for the Elderly established by
198 sections 3-123aa to 3-123ff, inclusive;

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

205 (xviii) To the extent properly includable in gross income for federal
206 income tax purposes for the taxable year, any income from the discharge
207 of indebtedness in connection with any reacquisition, after December
208 31, 2008, and before January 1, 2011, of an applicable debt instrument or
209 instruments, as those terms are defined in Section 108 of the Internal

210 Revenue Code, as amended by Section 1231 of the American Recovery
211 and Reinvestment Act of 2009, to the extent any such income was added
212 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
213 this subdivision in computing Connecticut adjusted gross income for a
214 preceding taxable year;

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

219 (xx) To the extent properly includable in gross income for federal
220 income tax purposes, (I) for the taxable year commencing January 1,
221 2015, ten per cent of the income received from the state teachers'
222 retirement system, (II) for the taxable years commencing January 1,
223 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
224 received from the state teachers' retirement system, and (III) for the
225 taxable year commencing January 1, 2021, and each taxable year
226 thereafter, fifty per cent of the income received from the state teachers'
227 retirement system or, for a taxpayer whose federal adjusted gross
228 income does not exceed the applicable threshold under clause (xxi) of
229 this subparagraph, the percentage pursuant to said clause of the income
230 received from the state teachers' retirement system, whichever
231 deduction is greater;

232 (xxi) To the extent properly includable in gross income for federal
233 income tax purposes, except for retirement benefits under clause (iv) of
234 this subparagraph and retirement pay under clause (xvii) of this
235 subparagraph, for a person who files a return under the federal income
236 tax as an unmarried individual whose federal adjusted gross income for
237 such taxable year is less than seventy-five thousand dollars, or as a
238 married individual filing separately whose federal adjusted gross
239 income for such taxable year is less than seventy-five thousand dollars,
240 or as a head of household whose federal adjusted gross income for such
241 taxable year is less than seventy-five thousand dollars, or for a husband
242 and wife who file a return under the federal income tax as married

243 individuals filing jointly whose federal adjusted gross income for such
244 taxable year is less than one hundred thousand dollars, (I) for the taxable
245 year commencing January 1, 2019, fourteen per cent of any pension or
246 annuity income, (II) for the taxable year commencing January 1, 2020,
247 twenty-eight per cent of any pension or annuity income, (III) for the
248 taxable year commencing January 1, 2021, forty-two per cent of any
249 pension or annuity income, and (IV) for the taxable year commencing
250 January 1, 2022, and each taxable year thereafter, one hundred per cent
251 of any pension or annuity income;

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

257 (xxiii) To the extent properly includable in gross income for federal
258 income tax purposes, the amount of any financial assistance received
259 from the Crumbling Foundations Assistance Fund or paid to or on
260 behalf of the owner of a residential building pursuant to sections 8-442
261 and 8-443;

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

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

273 (xxvi) To the extent properly includable in gross income for federal

274 income tax purposes, for a person who files a return under the federal
275 income tax as an unmarried individual whose federal adjusted gross
276 income for such taxable year is less than seventy-five thousand dollars,
277 or as a married individual filing separately whose federal adjusted gross
278 income for such taxable year is less than seventy-five thousand dollars,
279 or as a head of household whose federal adjusted gross income for such
280 taxable year is less than seventy-five thousand dollars, or for a husband
281 and wife who file a return under the federal income tax as married
282 individuals filing jointly whose federal adjusted gross income for such
283 taxable year is less than one hundred thousand dollars, (I) for the taxable
284 year commencing January 1, 2023, twenty-five per cent of any
285 distribution from an individual retirement account other than a Roth
286 individual retirement account, (II) for the taxable year commencing
287 January 1, 2024, fifty per cent of any distribution from an individual
288 retirement account other than a Roth individual retirement account, (III)
289 for the taxable year commencing January 1, 2025, seventy-five per cent
290 of any distribution from an individual retirement account other than a
291 Roth individual retirement account, and (IV) for the taxable year
292 commencing January 1, 2026, and each taxable year thereafter, any
293 distribution from an individual retirement account other than a Roth
294 individual retirement account; [and]

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

305 (xxviii) To the extent properly includable in gross income for federal
306 income tax purposes, the amount of any student loan reimbursement

307 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)

APP *Joint Favorable Subst.*

HED *Joint Favorable*