



General Assembly

January Session, 2023

Substitute Bill No. 8



AN ACT CONCERNING HIGHER EDUCATION AFFORDABILITY AND GRADUATE RETENTION.

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

1 Section 1. Section 10a-174 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) As used in this section:

4 (1) "Award" means the greater of: (A) The unpaid portion, if any, of
5 a qualifying student's eligible institutional costs after subtracting his or
6 her financial aid, or (B) a minimum award of [two hundred fifty] one
7 thousand dollars for a full-time student or [one hundred fifty] six
8 hundred dollars for a part-time student;

9 (2) "Eligible institutional costs" means the tuition and required fees
10 incurred each semester by an individual student that are established
11 by the Board of Regents for Higher Education for the regional
12 community-technical colleges;

13 (3) "Financial aid" means the sum of all scholarships, grants and
14 federal, state and institutional aid received by a qualifying student.
15 "Financial aid" does not include any federal, state or private student
16 loans received by a qualifying student;

17 (4) "Qualifying student" means any person who (A) graduated from

18 a public or nonpublic high school in the state, (B) enrolls as a full-time
19 or part-time student for the fall semester of 2020, or any semester
20 thereafter, [for the first time] at a regional community-technical college
21 in a program leading to a degree or certificate, [and continues to be
22 enrolled as a full-time or part-time student at a regional community-
23 technical college.] (C) is classified as an in-state student pursuant to
24 section 10a-29, (D) is making satisfactory academic progress while
25 enrolled at a regional community-technical college, (E) has completed
26 the Free Application for Federal Student Aid, and (F) has accepted all
27 available financial aid;

28 (5) "Full-time student" means a student who is enrolled at a regional
29 community-technical college and (A) is carrying twelve or more credit
30 hours in a semester, or (B) has a learning disability documented with
31 the regional community-technical college in which he or she is enrolled
32 and is enrolled in the maximum number of credit hours that is feasible
33 for such student to attempt in a semester, as determined by such
34 student's academic advisor;

35 (6) "Semester" means the fall or spring semester of an academic year.
36 "Semester" does not include a summer semester or session; and

37 (7) "Part-time student" means a student who is enrolled at a regional
38 community-technical college and is carrying not less than six but fewer
39 than twelve credit hours in a semester.

40 (b) [Not later than January 1, 2020, the] The Board of Regents for
41 Higher Education shall (1) establish a debt-free community college
42 program to make awards to qualifying students each semester, (2)
43 adopt rules, procedures and forms necessary to implement the debt-
44 free community college program, and (3) submit a report outlining
45 such rules, procedures and forms, in accordance with the provisions of
46 section 11-4a, to the joint standing committee of the General Assembly
47 having cognizance of matters relating to higher education.

48 (c) For the fall semester of 2020, and each semester thereafter, the

49 Board of Regents for Higher Education shall make awards to
50 qualifying students within available appropriations. An award shall be
51 available to a qualifying student for the first seventy-two credit hours
52 earned by the qualifying student [during the first forty-eight months
53 that such student is enrolled] at a regional community-technical
54 college, provided the qualifying student meets and continues to meet
55 the requirements of this section. The board shall not use an award to
56 supplant any financial aid, including, but not limited to, state or
57 institutional aid, otherwise available to a qualifying student.

58 [(d) (1) Any qualifying student who takes an administratively
59 approved medical or personal leave of absence from a regional
60 community-technical college may continue to qualify for the debt-free
61 community college program upon resuming his or her enrollment as a
62 student at a regional community-technical college, provided such
63 student (A) continues to meet the requirements of this section upon
64 reenrollment, and (B) the total amount of time of all approved leaves of
65 absence does not exceed six months.

66 (2) Any qualifying student who is a member of the armed forces
67 called to active duty during any semester may continue to qualify for
68 the debt-free community college program upon resuming his or her
69 enrollment as a student at a regional community-technical college,
70 provided such student (A) continues to meet the requirements of this
71 section upon reenrollment, and (B) reenrolls not later than four years
72 after the date on which such student is released from active duty.]

73 [(e)] (d) Not later than March 1, 2021, and October 1, 2021, and each
74 semester thereafter, the Board of Regents for Higher Education shall
75 report, in accordance with the provisions of section 11-4a, to the joint
76 standing committees of the General Assembly having cognizance of
77 matters relating to higher education and employment advancement
78 and appropriations and the budgets of the state agencies regarding the
79 debt-free community college program, including, but not limited to, (1)
80 the number of qualifying students enrolled at the regional community-
81 technical colleges during each semester, (2) the number of qualifying

82 students receiving minimum awards and the number of qualifying
83 students receiving awards for the unpaid portion of eligible
84 institutional costs, (3) the average number of credit hours the
85 qualifying students enrolled in each semester and the average number
86 of credit hours the qualifying students completed each semester, (4)
87 the average amount of the award made to qualifying students under
88 this section for the unpaid portion of eligible institutional costs, and (5)
89 the completion rates of qualifying students receiving awards under
90 this section by degree or certificate program.

91 Sec. 2. (*Effective July 1, 2023*) For the fiscal year ending June 30, 2024,
92 any amount allocated to the regional community-technical college
93 system under the Roberta B. Willis Scholarship program, established
94 pursuant to section 10a-173 of the general statutes, from the federal
95 funds designated for the state pursuant to the provisions of Section 602
96 of Subtitle M of Title IX of the American Rescue Plan Act of 2021, P.L.
97 117-2, as amended from time to time, for the fiscal year ending June 30,
98 2023, shall be reallocated to the Connecticut State University System to
99 be expended, in accordance with section 10a-173 of the general
100 statutes, as grants under the Roberta B. Willis Scholarship program.

101 Sec. 3. (NEW) (*Effective July 1, 2023*) (a) The Connecticut Higher
102 Education Supplemental Loan Authority shall establish, subject to
103 available funding pursuant to section 4 of this act, the Student Loan
104 Subsidy Program for the purpose of subsidizing interest rates on
105 authority loans, as defined in subdivision (3) of section 10a-223 of the
106 general statutes, to individuals employed in certain high-demand
107 professions, as specified by the Chief Workforce Officer, and who meet
108 the eligibility criteria established by the authority and the Chief
109 Workforce Officer pursuant to subsection (b) of this section.

110 (b) The authority and the Office of Workforce Strategy shall jointly
111 establish the eligibility criteria and administrative guidelines for the
112 Student Loan Subsidy Program. Such eligibility criteria and guidelines
113 shall include, but need not be limited to, (1) applicant eligibility, (2)
114 interest rate subsidies and principal limits on authority loans subject to

115 the Student Loan Subsidy Program, (3) the process for verifying the
116 employment of the applicants, and (4) the requirement that an interest
117 rate subsidy through the Student Loan Subsidy Program shall
118 terminate for any subsidy recipient who ceases to meet the
119 employment requirements of said program during the term of such
120 recipient's loan from the authority.

121 (c) Not later than September 1, 2023, the Chief Workforce Officer
122 shall identify, and annually update, professions that are in high
123 demand by employers in the state for the purpose of qualifying
124 individuals employed in such professions for the Student Loan
125 Subsidy Program.

126 Sec. 4. (NEW) (*Effective July 1, 2023*) The Connecticut Higher
127 Education Supplemental Loan Authority shall maintain a separate,
128 nonlapsing account to hold funds for the Student Loan Subsidy
129 Program established pursuant to section 3 of this act. The account shall
130 contain any moneys required by law to be deposited in the account,
131 including, but not limited to, state appropriations or proceeds from the
132 sale of bonds authorized under section 5 of this act. Moneys in the
133 account shall be expended by the authority for the purposes of the
134 Student Loan Subsidy Program and for reasonable and necessary
135 expenses for the administration of said program.

136 Sec. 5. (NEW) (*Effective July 1, 2023*) (a) For the purposes described
137 in subsection (b) of this section and section 3 of this act, the State Bond
138 Commission shall have the power from time to time to authorize the
139 issuance of bonds of the state in one or more series and in principal
140 amounts not exceeding seven million dollars annually.

141 (b) The proceeds of the sale of such bonds, to the extent of the
142 amount stated in subsection (a) of this section, shall be used by the
143 Connecticut Higher Education Supplemental Loan Authority for the
144 purpose of the Student Loan Subsidy Program established under
145 section 3 of this act.

146 (c) All provisions of section 3-20 of the general statutes, or the
147 exercise of any right or power granted thereby, that are not
148 inconsistent with the provisions of this section are hereby adopted and
149 shall apply to all bonds authorized by the State Bond Commission
150 pursuant to this section. Temporary notes in anticipation of the money
151 to be derived from the sale of any such bonds so authorized may be
152 issued in accordance with section 3-20 of the general statutes and from
153 time to time renewed. Such bonds shall mature at such time or times
154 not exceeding twenty years from their respective dates as may be
155 provided in or pursuant to the resolution or resolutions of the State
156 Bond Commission authorizing such bonds. None of such bonds shall
157 be authorized except upon a finding by the State Bond Commission
158 that there has been filed with it a request for such authorization that is
159 signed by or on behalf of the Secretary of the Office of Policy and
160 Management and states such terms and conditions as said commission,
161 in its discretion, may require. Such bonds issued pursuant to this
162 section shall be general obligations of the state and the full faith and
163 credit of the state of Connecticut are pledged for the payment of the
164 principal of and interest on such bonds as the same become due, and
165 accordingly and as part of the contract of the state with the holders of
166 such bonds, appropriation of all amounts necessary for punctual
167 payment of such principal and interest is hereby made, and the State
168 Treasurer shall pay such principal and interest as the same become
169 due.

170 Sec. 6. Subparagraph (B) of subdivision (20) of subsection (a) of
171 section 12-701 of the general statutes is repealed and the following is
172 substituted in lieu thereof (*Effective January 1, 2024*):

173 (B) There shall be subtracted therefrom:

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

177 (ii) To the extent allowable under section 12-718, exempt dividends

178 paid by a regulated investment company;

179 (iii) To the extent properly includable in gross income for federal
180 income tax purposes, the amount of any refund or credit for
181 overpayment of income taxes imposed by this state, or any other state
182 of the United States or a political subdivision thereof, or the District of
183 Columbia;

184 (iv) To the extent properly includable in gross income for federal
185 income tax purposes and not otherwise subtracted from federal
186 adjusted gross income pursuant to clause (x) of this subparagraph in
187 computing Connecticut adjusted gross income, any tier 1 railroad
188 retirement benefits;

189 (v) To the extent any additional allowance for depreciation under
190 Section 168(k) of the Internal Revenue Code for property placed in
191 service after September 27, 2017, was added to federal adjusted gross
192 income pursuant to subparagraph (A)(ix) of this subdivision in
193 computing Connecticut adjusted gross income, twenty-five per cent of
194 such additional allowance for depreciation in each of the four
195 succeeding taxable years;

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

201 (vii) To the extent properly includable in determining the net gain
202 or loss from the sale or other disposition of capital assets for federal
203 income tax purposes, any gain from the sale or exchange of obligations
204 issued by or on behalf of the state of Connecticut, any political
205 subdivision thereof, or public instrumentality, state or local authority,
206 district or similar public entity created under the laws of the state of
207 Connecticut, in the income year such gain was recognized;

208 (viii) Any interest on indebtedness incurred or continued to

209 purchase or carry obligations or securities the interest on which is
210 subject to tax under this chapter but exempt from federal income tax,
211 to the extent that such interest on indebtedness is not deductible in
212 determining federal adjusted gross income and is attributable to a
213 trade or business carried on by such individual;

214 (ix) Ordinary and necessary expenses paid or incurred during the
215 taxable year for the production or collection of income which is subject
216 to taxation under this chapter but exempt from federal income tax, or
217 the management, conservation or maintenance of property held for the
218 production of such income, and the amortizable bond premium for the
219 taxable year on any bond the interest on which is subject to tax under
220 this chapter but exempt from federal income tax, to the extent that
221 such expenses and premiums are not deductible in determining federal
222 adjusted gross income and are attributable to a trade or business
223 carried on by such individual;

224 (x) (I) For taxable years commencing prior to January 1, 2019, for a
225 person who files a return under the federal income tax as an
226 unmarried individual whose federal adjusted gross income for such
227 taxable year is less than fifty thousand dollars, or as a married
228 individual filing separately whose federal adjusted gross income for
229 such taxable year is less than fifty thousand dollars, or for a husband
230 and wife who file a return under the federal income tax as married
231 individuals filing jointly whose federal adjusted gross income for such
232 taxable year is less than sixty thousand dollars or a person who files a
233 return under the federal income tax as a head of household whose
234 federal adjusted gross income for such taxable year is less than sixty
235 thousand dollars, an amount equal to the Social Security benefits
236 includable for federal income tax purposes;

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

242 such taxable year is fifty thousand dollars or more, or for a husband
243 and wife who file a return under the federal income tax as married
244 individuals filing jointly whose federal adjusted gross income from
245 such taxable year is sixty thousand dollars or more or for a person who
246 files a return under the federal income tax as a head of household
247 whose federal adjusted gross income for such taxable year is sixty
248 thousand dollars or more, an amount equal to the difference between
249 the amount of Social Security benefits includable for federal income tax
250 purposes and the lesser of twenty-five per cent of the Social Security
251 benefits received during the taxable year, or twenty-five per cent of the
252 excess described in Section 86(b)(1) of the Internal Revenue Code;

253 (III) For the taxable year commencing January 1, 2019, and each
254 taxable year thereafter, for a person who files a return under the
255 federal income tax as an unmarried individual whose federal adjusted
256 gross income for such taxable year is less than seventy-five thousand
257 dollars, or as a married individual filing separately whose federal
258 adjusted gross income for such taxable year is less than seventy-five
259 thousand dollars, or for a husband and wife who file a return under
260 the federal income tax as married individuals filing jointly whose
261 federal adjusted gross income for such taxable year is less than one
262 hundred thousand dollars or a person who files a return under the
263 federal income tax as a head of household whose federal adjusted
264 gross income for such taxable year is less than one hundred thousand
265 dollars, an amount equal to the Social Security benefits includable for
266 federal income tax purposes; and

267 (IV) For the taxable year commencing January 1, 2019, and each
268 taxable year thereafter, for a person who files a return under the
269 federal income tax as an unmarried individual whose federal adjusted
270 gross income for such taxable year is seventy-five thousand dollars or
271 more, or as a married individual filing separately whose federal
272 adjusted gross income for such taxable year is seventy-five thousand
273 dollars or more, or for a husband and wife who file a return under the
274 federal income tax as married individuals filing jointly whose federal

275 adjusted gross income from such taxable year is one hundred
276 thousand dollars or more or for a person who files a return under the
277 federal income tax as a head of household whose federal adjusted
278 gross income for such taxable year is one hundred thousand dollars or
279 more, an amount equal to the difference between the amount of Social
280 Security benefits includable for federal income tax purposes and the
281 lesser of twenty-five per cent of the Social Security benefits received
282 during the taxable year, or twenty-five per cent of the excess described
283 in Section 86(b)(1) of the Internal Revenue Code;

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

287 (xii) To the extent properly includable in the gross income for
288 federal income tax purposes of a designated beneficiary, any
289 distribution to such beneficiary from any qualified state tuition
290 program, as defined in Section 529(b) of the Internal Revenue Code,
291 established and maintained by this state or any official, agency or
292 instrumentality of the state;

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

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

301 (xv) To the extent properly includable in gross income for federal
302 income tax purposes of an account holder, as defined in section 31-
303 51ww, interest earned on funds deposited in the individual
304 development account, as defined in section 31-51ww, of such account
305 holder;

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

312 (xvii) To the extent properly includable in gross income for federal
313 income tax purposes, any income received from the United States
314 government as retirement pay for a retired member of (I) the Armed
315 Forces of the United States, as defined in Section 101 of Title 10 of the
316 United States Code, or (II) the National Guard, as defined in Section
317 101 of Title 10 of the United States Code;

318 (xviii) To the extent properly includable in gross income for federal
319 income tax purposes for the taxable year, any income from the
320 discharge of indebtedness in connection with any reacquisition, after
321 December 31, 2008, and before January 1, 2011, of an applicable debt
322 instrument or instruments, as those terms are defined in Section 108 of
323 the Internal Revenue Code, as amended by Section 1231 of the
324 American Recovery and Reinvestment Act of 2009, to the extent any
325 such income was added to federal adjusted gross income pursuant to
326 subparagraph (A)(xi) of this subdivision in computing Connecticut
327 adjusted gross income for a preceding taxable year;

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

332 (xx) To the extent properly includable in gross income for federal
333 income tax purposes, (I) for the taxable year commencing January 1,
334 2015, ten per cent of the income received from the state teachers'
335 retirement system, (II) for the taxable years commencing January 1,
336 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
337 received from the state teachers' retirement system, and (III) for the

338 taxable year commencing January 1, 2021, and each taxable year
339 thereafter, fifty per cent of the income received from the state teachers'
340 retirement system or, for a taxpayer whose federal adjusted gross
341 income does not exceed the applicable threshold under clause (xxi) of
342 this subparagraph, the percentage pursuant to said clause of the
343 income received from the state teachers' retirement system, whichever
344 deduction is greater;

345 (xxi) To the extent properly includable in gross income for federal
346 income tax purposes, except for retirement benefits under clause (iv) of
347 this subparagraph and retirement pay under clause (xvii) of this
348 subparagraph, for a person who files a return under the federal income
349 tax as an unmarried individual whose federal adjusted gross income
350 for such taxable year is less than seventy-five thousand dollars, or as a
351 married individual filing separately whose federal adjusted gross
352 income for such taxable year is less than seventy-five thousand dollars,
353 or as a head of household whose federal adjusted gross income for
354 such taxable year is less than seventy-five thousand dollars, or for a
355 husband and wife who file a return under the federal income tax as
356 married individuals filing jointly whose federal adjusted gross income
357 for such taxable year is less than one hundred thousand dollars, (I) for
358 the taxable year commencing January 1, 2019, fourteen per cent of any
359 pension or annuity income, (II) for the taxable year commencing
360 January 1, 2020, twenty-eight per cent of any pension or annuity
361 income, (III) for the taxable year commencing January 1, 2021, forty-
362 two per cent of any pension or annuity income, and (IV) for the taxable
363 year commencing January 1, 2022, and each taxable year thereafter,
364 one hundred per cent of any pension or annuity income;

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

370 (xxiii) To the extent properly includable in gross income for federal

371 income tax purposes, the amount of any financial assistance received
372 from the Crumbling Foundations Assistance Fund or paid to or on
373 behalf of the owner of a residential building pursuant to sections 8-442
374 and 8-443;

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

380 (xxv) To the extent any portion of a deduction under Section 179 of
381 the Internal Revenue Code was added to federal adjusted gross income
382 pursuant to subparagraph (A)(xiv) of this subdivision in computing
383 Connecticut adjusted gross income, twenty-five per cent of such
384 disallowed portion of the deduction in each of the four succeeding
385 taxable years;

386 (xxvi) To the extent properly includable in gross income for federal
387 income tax purposes, for a person who files a return under the federal
388 income tax as an unmarried individual whose federal adjusted gross
389 income for such taxable year is less than seventy-five thousand dollars,
390 or as a married individual filing separately whose federal adjusted
391 gross income for such taxable year is less than seventy-five thousand
392 dollars, or as a head of household whose federal adjusted gross income
393 for such taxable year is less than seventy-five thousand dollars, or for a
394 husband and wife who file a return under the federal income tax as
395 married individuals filing jointly whose federal adjusted gross income
396 for such taxable year is less than one hundred thousand dollars, (I) for
397 the taxable year commencing January 1, 2023, twenty-five per cent of
398 any distribution from an individual retirement account other than a
399 Roth individual retirement account, (II) for the taxable year
400 commencing January 1, 2024, fifty per cent of any distribution from an
401 individual retirement account other than a Roth individual retirement
402 account, (III) for the taxable year commencing January 1, 2025,
403 seventy-five per cent of any distribution from an individual retirement

404 account other than a Roth individual retirement account, and (IV) for
405 the taxable year commencing January 1, 2026, and each taxable year
406 thereafter, any distribution from an individual retirement account
407 other than a Roth individual retirement account; [and]

408 (xxvii) To the extent properly includable in gross income for federal
409 income tax purposes, for the taxable year commencing January 1, 2022,
410 the amount or amounts paid or otherwise credited to any eligible
411 resident of this state under (I) the 2020 Earned Income Tax Credit
412 enhancement program from funding allocated to the state through the
413 Coronavirus Relief Fund established under the Coronavirus Aid,
414 Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021
415 Earned Income Tax Credit enhancement program from funding
416 allocated to the state pursuant to Section 9901 of Subtitle M of Title IX
417 of the American Rescue Plan Act of 2021, P.L. 117-2; and

418 (xxviii) To the extent not deductible in determining federal adjusted
419 gross income, and to the extent allowable under section 7 of this act,
420 the amount of interest paid during the taxable year on a student loan.

421 Sec. 7. (NEW) (*Effective January 1, 2024, and applicable to taxable years*
422 *commencing on or after January 1, 2024*) (a) For the purposes of this
423 section:

424 (1) "Qualified student loan" means a loan taken out solely to pay
425 qualified education expenses (A) for the taxpayer, the taxpayer's
426 spouse or a person who was a dependent of the taxpayer at the time
427 when the taxpayer took out the loan, (B) paid or incurred within a
428 reasonable period of time before or after the taxpayer took out the
429 loan, (C) from a private or governmental lender, and (D) for education
430 provided during an academic period for an eligible student;

431 (2) "Qualified education expenses" means the total costs of attending
432 an eligible institution of higher education, including graduate school,
433 and includes amounts paid for the following items: (A) Tuition and
434 fees; (B) room and board, provided the cost of room and board

435 qualifies only to the extent that it is not more than the greater of (i) the
436 allowance for room and board, as determined by the eligible
437 institution of higher education, that was included in the cost of
438 attendance for a particular academic period and living arrangement of
439 the student, or (ii) the actual amount charged if the student is residing
440 in housing owned or operated by the eligible institution of higher
441 education; (C) books, supplies and equipment; and (D) other necessary
442 expenses, including, but not limited to, transportation;

443 (3) "Eligible institution of higher education" means any institution of
444 higher education that is eligible to participate in a student aid program
445 administered by the United States Department of Education; and

446 (4) "Eligible student" means a student who is or was enrolled at least
447 part time in a certificate or degree program at an eligible institution of
448 higher education.

449 (b) The maximum annual modification under subparagraph
450 (B)(xxviii) of subdivision (20) of subsection (a) of section 12-701 of the
451 general statutes, as amended by this act, shall be equal to the amount
452 of interest paid on a qualified student loan, but shall not exceed two
453 thousand five hundred dollars for each taxpayer, provided (1) the
454 taxpayer's filing status is any filing status except married filing
455 separately, (2) the taxpayer's modified adjusted gross income is not
456 more than seventy-five thousand dollars for taxpayers whose filing
457 status is single, head of household or qualifying widow or widower or
458 not more than one hundred fifty thousand dollars for taxpayers whose
459 filing status is married filing jointly, (3) no other person is claiming an
460 exemption for the taxpayer on such other person's return, (4) the
461 taxpayer is legally obligated to pay interest on a qualified student loan,
462 and (5) the taxpayer paid interest on a qualified student loan.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	10a-174

Sec. 2	<i>July 1, 2023</i>	New section
Sec. 3	<i>July 1, 2023</i>	New section
Sec. 4	<i>July 1, 2023</i>	New section
Sec. 5	<i>July 1, 2023</i>	New section
Sec. 6	<i>January 1, 2024</i>	12-701(a)(20)(B)
Sec. 7	<i>January 1, 2024, and applicable to taxable years commencing on or after January 1, 2024</i>	New section

Statement of Legislative Commissioners:

In Section 7(b), "subparagraph (B)(xxiii)" was changed to "subparagraph (B)(xxviii)" for accuracy.

HED *Joint Favorable Subst. -LCO*