

**HOUSE . . . . . No. 2695**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*James Arciero*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to student loan debt relief tax credit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>James Arciero</i>	<i>2nd Middlesex</i>	<i>1/17/2023</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>2/7/2023</i>

**HOUSE . . . . . No. 2695**

By Representative Arciero of Westford, a petition (accompanied by bill, House, No. 2695) of James Arciero and Michelle M. DuBois relative to providing for a student loan debt relief tax credit. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 2812 OF 2021-2022.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
\_\_\_\_\_

An Act relative to student loan debt relief tax credit.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 6 of chapter 62 is hereby amended by adding the following  
2 subsection:-

3 (w) (1) As used in this subsection, the following words shall, unless the context clearly  
4 requires otherwise, have the following meanings:-

5 “Department”, department of higher education.

6 “Qualified taxpayer”, an individual who has: (i) incurred at least \$20,000 in  
7 undergraduate or graduate student loan debt or both; and (ii) has at least \$5,000 in outstanding  
8 undergraduate or graduate student loan debt or both when submitting an application under  
9 paragraph (3).

10           (2) Subject to the limitations of this subsection, a qualified taxpayer may take a credit  
11 against the taxes imposed by this chapter.

12           (3) (A) By September 15 of each year, an individual shall submit an application to the  
13 department for the credit allowed under this subsection.

14           The individual shall submit with the application an assurance that the individual will use  
15 any credit approved under this subsection for the repayment of the individual's undergraduate or  
16 graduate student loan debt or both as soon as practicable. The total amount of the credit claimed  
17 under this subsection shall be recaptured if the individual does not use the credit approved under  
18 this subsection for the repayment of the individual's undergraduate or graduate student loan debt  
19 or both within 2 years from the close of the taxable year for which the credit is claimed. The  
20 individual who claimed the credit shall pay the total amount of the credit claimed as taxes  
21 payable to the commonwealth for the taxable year in which the event requiring recapture of the  
22 credit occurs.

23           (B) By December 15 of each year the department shall certify to the individual the  
24 amount of any tax credit approved by the department under this subsection, not to exceed \$2,500.

25           (C) For any taxable year, the total amount of credits approved by the department under  
26 this subsection may not exceed \$9,000,000.

27           (D) To claim the tax credit allowed under this subsection, an individual shall attach a  
28 copy of the department's certification of the approved credit amount to the income tax return.

29           (4) The department shall prioritize tax credit recipients and amounts based on qualified  
30 taxpayers who:

31 (i) have higher debt burden to income ratios;

32 (ii) graduated from an institution of higher education located in the commonwealth;

33 (iii) did not receive a tax credit in a prior year; or

34 (iv) were eligible for in-State tuition.

35 (5) If the tax credit allowed under this subsection in any taxable year exceeds the total tax  
36 otherwise payable by the qualified taxpayer for that taxable year, the qualified taxpayer may  
37 claim a refund in the amount of the excess.

38 (6) The department shall adopt regulations to carry out the provisions of this subsection.

39 SECTION 2. The department of higher education shall establish and implement by  
40 September 1, 2019, an outreach and marketing plan to make eligible taxpayers aware of the  
41 availability of the tax credit established in subsection (w) of section 6 of chapter 62 of the  
42 General Laws.