



General Assembly

February Session, 2022

**Raised Bill No. 252**

LCO No. 2427



Referred to Committee on HIGHER EDUCATION AND  
EMPLOYMENT ADVANCEMENT

Introduced by:  
(HED)

**AN ACT ESTABLISHING TAX CREDITS FOR EMPLOYERS WHO  
MAKE PAYMENTS TOWARD TUITION COSTS OF EMPLOYEES AND  
DONATE TO ENDOWED PROFESSORSHIPS.**

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

1 Section 1. (NEW) (*Effective July 1, 2022, and applicable to income years*  
2 *commencing on or after January 1, 2023*) (a) As used in this section:

3 (1) "Eligible tuition cost" means the expense incurred by a qualified  
4 employee for tuition at a public or independent institution of higher  
5 education;

6 (2) "Qualified employee" means any individual who works and  
7 resides in the state; and

8 (3) "Qualified employer" means a corporation licensed to operate a  
9 business in the state that employs a qualified employee and is subject to  
10 tax under chapter 207 or 208 of the general statutes.

11 (b) (1) For income years commencing on or after January 1, 2023, an  
12 employer that makes a payment to or on behalf of a qualified employee

13 for an eligible tuition cost of such qualified employee may claim a credit  
14 against the tax imposed under chapter 207 or 208 of the general statutes.  
15 Such credit shall be equal to fifty per cent of the amount of the payment  
16 made during the income year by such employer for an eligible tuition  
17 cost and shall not exceed two thousand five hundred dollars for each  
18 qualified employee for whom such employer makes such payment. An  
19 employer claiming a credit under this section shall not claim any other  
20 credit against the employer's tax liability under any provision of the  
21 general statutes for the same payment of an eligible tuition cost.

22 (2) An employer may claim the credit under subdivision (1) of this  
23 subsection for a payment made during the part of the income year that  
24 the qualified employee worked and resided in the state, provided a  
25 qualified employee who worked and resided in the state for any part of  
26 a month shall be deemed to have worked and resided in the state for the  
27 entire month.

28 (c) An employer that claims the credit under subsection (b) of this  
29 section shall provide any documentation required by the Commissioner  
30 of Revenue Services in a form and manner prescribed by the  
31 commissioner.

32 Sec. 2. (NEW) (*Effective July 1, 2022, and applicable to income years and*  
33 *taxable years commencing on or after January 1, 2023*) (a) As used in this  
34 section:

35 (1) "Taxpayer" means an individual or business entity subject to tax  
36 under chapter 207, 208, 212 or 229 of the general statutes; and

37 (2) "Endowed professorship" means a faculty position at an  
38 institution of higher education that is permanently paid for with the  
39 revenue from an endowment fund that was specifically established for  
40 that purpose.

41 (b) (1) There is established an endowed professorship tax credit  
42 program whereby a taxpayer may be allowed a credit against the tax  
43 imposed under chapter 207, 208, 212 or 229 of the general statutes, other

44 than the liability imposed by section 12-707 of the general statutes.

45 (2) The tax credit shall be in an amount equal to one hundred per cent  
46 of the amount donated by such taxpayer to an endowed professorship  
47 at an institution of higher education in this state, provided (A) the credit  
48 shall not exceed fifty thousand dollars for any taxpayer, and (B) the total  
49 amount of credits granted to all taxpayers under this section shall not  
50 exceed two million dollars in any one fiscal year.

51 (3) The taxpayer shall claim the credit in the income year or taxable  
52 year in which it is earned. Any credit not claimed by the taxpayer in  
53 such income year or taxable year shall expire and shall not be  
54 refundable.

55 (c) If the taxpayer is an S corporation or an entity treated as a  
56 partnership for federal income tax purposes, the tax credit may be  
57 claimed by the shareholders or partners of such taxpayer. If the taxpayer  
58 is a single member limited liability company that is disregarded as an  
59 entity separate from its owner, the tax credit may be claimed by the  
60 limited liability company's owner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022, and applicable to income years commencing on or after January 1, 2023</i>	New section
Sec. 2	<i>July 1, 2022, and applicable to income years and taxable years commencing on or after January 1, 2023</i>	New section

**Statement of Purpose:**

To provide a tax credit to employers that (1) make payments for the tuition costs of employees who attend an institution of higher education, and (2) donate to an endowed professorship at an institution of higher education in the state.

*[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.]*