



CHESLA



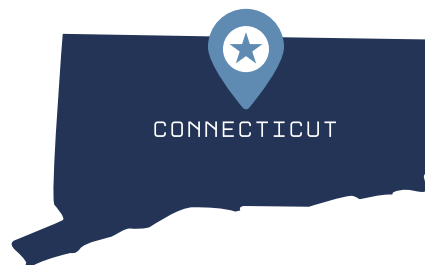
CONNECTICUT STATE TAX CREDIT INFORMATION

CONNECTICUT STATE TAX CREDIT

- CT Public Act 19-86 effective January 1, 2022.
- Provides eligible employers with a tax credit (for corporate business tax or insurance premiums tax) of up to **\$2,625 per employee per year** for making **eligible education loan payments** on a qualified employee's behalf.
- Eligible loans:
 - Student loans issued by the Connecticut Higher Education Supplemental Loan Authority (**CHESLA**) to **refinance student loans**.
- Qualified employees must:
 - Be residents of Connecticut
 - Be full-time employees
 - Have earned their first bachelor's degree from an institution of higher education in the immediately preceding five-year period
 - Not be an owner, member or partner of a qualified employer or a family member of an owner, member or partner of a qualified employer
- How employers qualify for the credit:
 - Employ the qualified employee
 - Be subject to corporate business tax or insurance premium tax.

EXPANSION OF CONNECTICUT STATE TAX CREDIT

- Governor's Bill No. 5506
- Section 423:
 - Expands eligible loans to all **CHESLA loans in repayment**, not just CHESLA refinance loans.
 - The tax credit is refundable for small businesses, as defined in the Bill.



Connecticut Department of Revenue Services (DRS) guidance forthcoming.