HOUSE DOCKET, NO. 3167 FILED ON: 1/18/2019

HOUSE . . . . . No. 3812

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:
James Arciero	*2nd Middlesex*	*1/18/2019*
Brian M. Ashe	*2nd Hampden*	*1/29/2019*
James B. Eldridge	*Middlesex and Worcester*	*1/30/2019*
Colleen M. Garry	*36th Middlesex*	*1/31/2019*
Carlos González	*10th Hampden*	*1/30/2019*
Kenneth I. Gordon	*21st Middlesex*	*1/29/2019*
Patrick Joseph Kearney	*4th Plymouth*	*2/1/2019*
Joseph D. McKenna	*18th Worcester*	*1/29/2019*
Michael O. Moore	*Second Worcester*	*2/1/2019*
Brian W. Murray	*10th Worcester*	*2/1/2019*
Thomas M. Stanley	*9th Middlesex*	*1/31/2019*
Bruce E. Tarr	*First Essex and Middlesex*	*1/29/2019*
José F. Tosado	*9th Hampden*	*1/28/2019*
Steven Ultrino	*33rd Middlesex*	*1/29/2019*
Bud L. Williams	*11th Hampden*	*1/30/2019*
Jonathan D. Zlotnik	*2nd Worcester*	*2/1/2019*

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By Mr. Arciero of Westford, a petition (accompanied by bill, House, No. 3812) of James Arciero and others relative to the student loan debt relief tax credit. Revenue.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-First General Court
(2019-2020)

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:

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

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

"Department", department of higher education.

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

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

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

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

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

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

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

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

(i) have higher debt burden to income ratios;

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

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

(iv) were eligible for in-State tuition.

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

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

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