

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Ryan C. Fattman

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 promoting student loan repayment.

PETITION OF:

NAME:

Ryan C. Fattman

DISTRICT/ADDRESS:

Worcester and Hampden

SENATE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1810 OF 2023-2024.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act promoting student loan repayment.

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. Paragraph (a) of part B of section 3 of chapter 62 of the General Laws, as
2 appearing in the 2022 Official Edition, is hereby amended by adding the following
3 subparagraph:-

4 (20) An amount equal to the amount of student loan payment assistance received by an
5 individual from their employer during the taxable year. For the purposes of this paragraph,
6 “student loan payment assistance” shall mean the payment of principal or interest on a qualified
7 education loan, as defined in section 221 of the Code.

8 SECTION 2. Section 6 of said chapter 62, as so appearing, is hereby amended by adding
9 the following subsection:-

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

12 “Qualified education loan”, as defined in section 221 of the Code.

13 “Qualified employee”, with respect to a particular taxpayer, any individual who, under
14 the usual common-law rules applicable in determining the employer-employee relationship, has
15 the status of an employee of that taxpayer and who is domiciled in the commonwealth.

16 “Student loan payment assistance”, the payment of principal or interest on a qualified
17 education loan.

18 (2) Any business that provides student loan payment assistance to a qualified employee
19 or directly to the holder of the employee’s qualified education loan shall be allowed a credit
20 against the tax liability imposed by this chapter in an amount equal to 100 per cent of the student
21 loan assistance paid; provided, however, that a credit under this section shall not exceed \$4,500
22 per qualified employee in any tax year.

23 (3) Credits under this subsection shall be allowed for the taxable year in which the
24 student loan payment assistance is provided; provided, however, that in no taxable year may the
25 amount of the credit allowed exceed the total tax due of the taxpayer for the relevant taxable
26 year. A taxpayer allowed a credit pursuant to this subsection for a taxable year may carry over
27 and apply against such taxpayer’s tax liability in any of the succeeding 5 taxable years, the
28 portion, as reduced from year to year, of those credits which exceed the tax for the taxable year.

29 SECTION 3. Chapter 63 of the General Laws, as so appearing, is hereby amended by
30 inserting after section 38HH the following section:-

31 Section 38NN. (a) As used in this section, the following words shall, unless the context
32 clearly requires otherwise, have the following meanings:-

33 “Qualified education loan”, as defined in section 221 of the Code.

34 “Qualified employee”, with respect to a particular taxpayer, any individual who, under
35 the usual common-law rules applicable in determining the employer-employee relationship, has
36 the status of an employee of that taxpayer and who is domiciled in the commonwealth.

37 “Student loan payment assistance”, the payment of principal or interest on a qualified
38 education loan.

39 (b) A business corporation who provides student loan payment assistance to a qualified
40 employee or directly to the holder of the employee’s qualified education loan shall be allowed a
41 credit against the tax liability imposed by this chapter in an amount equal to 100 per cent of the
42 student loan assistance paid; provided, however, that a credit under this section shall not exceed
43 \$4,500 per qualified employee in any tax year.

44 (c) The credit allowed in this section for any taxable year shall not reduce the excise to
45 less than the amount due under subsection (b) of section 39, section 67, or any other applicable
46 section.

47 (d) Credits under this subsection shall be allowed for the taxable year in which the
48 student loan payment assistance is provided. A taxpayer allowed a credit under this subsection
49 for a taxable year may carry over an apply against such taxpayer’s liability in any of the
50 succeeding 5 taxable years, the portion, as reduced from year to year, of those credits which
51 exceed the tax for the taxable year.