

1 S.331

2 Senator Clarkson moves that the bill be amended as follows:

3 First: In Sec. 4, 32 V.S.A. § 5830f, in subdivision (a)(2), after ““Qualified
4 student loan” means a loan incurred to attend” by striking out “and receive a
5 baccalaureate or graduate-level degree from”

6 Second: In Sec. 6 (effective dates), by striking out the section in its entirety
7 and inserting four new sections to be Secs. 6–9 as follows:

8 Sec. 6. 32 V.S.A. § 5830g is added to read:

9 § 5830g. EMPLOYER CREDIT FOR EMPLOYEE STUDENT LOAN

10 PAYMENTS

11 (a) As used in this section:

12 (1) “Institution of higher education” means an institution of
13 postsecondary education that generally limits enrollment to graduates of
14 secondary schools and awards degrees at either the baccalaureate or graduate
15 level. An institution of higher education includes public, private nonprofit, and
16 for-profit institutions of higher education.

17 (2) “Qualified education loan” means a loan incurred to attend an
18 institution of higher education.

19 (3) “Qualified employee” means an individual who is employed at least
20 1,040 hours per taxable year and who is domiciled in this State during any part
21 of the taxable year.

1 (4) “Qualified employer” means a person who is required to furnish
2 unemployment insurance coverage pursuant to 21 V.S.A. chapter 17.

3 (5) “Qualified payment” means a payment made by a qualified
4 employer directly to a lender or through a customized repayment program on a
5 qualified education loan on behalf of a qualified employee.

6 (b) A qualified employer that makes a qualified payment on a qualified
7 education loan on behalf of the employer’s qualified employee shall be eligible
8 for a nonrefundable credit against the tax imposed, for that taxable year, on the
9 employer’s income under section 5822, 5832, or 5836 of this title. The credit
10 shall be in an amount equal to the payments made to the outstanding balance of
11 the employee’s loan by the employer during the taxable year, provided the
12 amount of credit allowed for each qualified employee in each taxable year
13 shall not exceed \$5,000.00.

14 (c) A qualified employer that claims the credit under this section shall
15 provide any information requested in the form and manner required by the
16 Commissioner of Taxes.

17 Sec. 7. 32 V.S.A. § 5825a(b) is amended to read:

18 (b) A taxpayer who has received a credit under subsection (a) of this
19 section shall repay to the Commissioner 10 percent of any distribution from a
20 higher education investment plan account, ~~which distribution is not used~~
21 ~~exclusively for costs of attendance at an approved postsecondary education~~

1 ~~institution as defined in 16 V.S.A. § 2822(6)~~, up to a maximum of the total
2 credits received by the taxpayer under subsection (a) of this section minus any
3 amount of repayment of such credits in prior tax years except when the
4 distribution:

5 (1) is used exclusively for costs of attendance at an approved
6 postsecondary education institution as defined in 16 V.S.A. § 2822(6);

7 (2) qualifies as an expense associated with registered apprenticeship
8 programs pursuant to 26 U.S.C. § 529(c)(8) or as an education loan repayment
9 pursuant to 26 U.S.C. § 529(c)(9); or

10 (3) is made after the death of the beneficiary or after the beneficiary
11 becomes disabled pursuant to subdivisions (q)(2)(C) and (m)(7) of 26 U.S.C.
12 § 72.

13 (c) Repayments under this subsection (b) of this section shall be subject to
14 assessment, notice, penalty and interest, collection, and other administration in
15 the same manner as an income tax under this chapter.

16 Sec. 8. 2018 Acts and Resolves, No. 197, Sec. 1 is amended to read:

17 Sec. 1. NEW REMOTE WORKER GRANT PROGRAM

18 (a) As used in this section:

19 * * *

1 (2)(A) “Qualifying remote worker expenses” means actual costs a new
2 remote worker incurs for one or more of the following that are necessary to
3 perform his or her employment duties:

4 ~~(A)~~(i) relocation to this State;

5 ~~(B)~~(ii) computer software and hardware;

6 ~~(C)~~(iii) broadband access or upgrade; and

7 ~~(D)~~(iv) membership in a co-working or similar space.

8 (B) “Qualifying remote worker expenses” also means principal and
9 interest payments made on a student loan incurred to attend a postsecondary
10 education institution as defined in 16 V.S.A. § 2822(6).

11 * * *

12 Sec. 9. EFFECTIVE DATES

13 This act shall take effect on July 1, 2020, except that Secs. 3–7 shall take
14 effect on January 1, 2021 and apply to returns filed for taxable year 2021 and
15 after.