

**SB 439 STAFF MEASURE SUMMARY**

**Senate Committee On Education**

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**Prepared By:** Lisa Gezelter, LPRO Analyst

**Sub-Referral To:** Joint Committee On Tax Credits

**Meeting Dates:** 2/23

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**WHAT THE MEASURE DOES:**

Establishes a tax credit for amounts paid as interest on qualified education loans. Defines qualified education loans using U.S. Internal Revenue Code. Allows the Department of Revenue to establish rules and prescribe a form for taxpayer's use. Allows credit to be claimed by nonresidents proportionally. Applies to tax years beginning on or after January 1, 2017. Becomes effective 91 days after the Legislature adjourns sine die.

**REVENUE:** May have revenue impact, but no statement yet issued

**FISCAL:** May have fiscal impact, but no statement yet issued

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Federal law allows taxpayers to deduct student loan interest for their own loans, their spouse's or dependents' loans. The benefit applies to all educational loans, and the maximum deduction is \$2,500.00 per year.