



# Senate

General Assembly

**File No. 422**

January Session, 2025

Senate Bill No. 576

*Senate, April 2, 2025*

The Committee on Commerce reported through SEN. HARTLEY of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT REQUIRING THE ESTABLISHMENT OF THE LEARN HERE, LIVE HERE PROGRAM, INCREASING THE ANNUAL EXPENDITURE ON SUCH PROGRAM AND MAKING SUCH PROGRAM AVAILABLE TO CERTAIN INDIVIDUALS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-4i of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) [The] On or before October 1, 2025, the Commissioner of Economic  
4 and Community Development, in consultation with the Commissioner  
5 of Revenue Services and the chancellor of the Connecticut State Colleges  
6 and Universities, [may] shall establish the Learn Here, Live Here  
7 program. Such program [may] shall provide an incentive for graduates  
8 of a high school, public institution of higher education, private  
9 university or college, or health care training school in this state, or  
10 graduates from a technical education and career school, to buy a first  
11 home in the state. Persons (1) who graduate on or after January 1, [2014]  
12 2026, from such high schools, institutions, universities, colleges or

13 schools, and (2) whose annual federal adjusted gross income is not more  
14 than seventy-five thousand dollars may have their income tax liability,  
15 up to a maximum of two thousand five hundred dollars annually,  
16 segregated into the Connecticut first-time homebuyers account  
17 established pursuant to section 32-4j, provided not more than [one] five  
18 million dollars from all program participants may be so segregated in  
19 any calendar year. After a period not exceeding ten years after  
20 graduation, any amounts so segregated may be withdrawn by a  
21 participant for the purchase of a first home in the state. The  
22 Commissioner of Economic and Community Development may make  
23 payments in accordance with this section from said fund to the  
24 participants. For the purposes of this section, "health care training  
25 school" means a medical or dental school, chiropractic college, school or  
26 college of optometry, school or college of chiropody or podiatry, school  
27 of occupational therapy, hospital-based occupational school, school or  
28 college of naturopathy, school of dental hygiene, school of physical  
29 therapy or any other school or institution giving instruction in the  
30 healing arts.

31 (b) (1) After a period not exceeding ten years after the date of  
32 graduation, a participant in the program established pursuant to  
33 subsection (a) of this section may apply to the Commissioner of  
34 Economic and Community Development for a payment to be issued, on  
35 behalf of such participant, and used as the down payment on a house,  
36 which must be the first house such participant has bought, either singly  
37 or jointly. Such payment may be in an amount equal to the amount of  
38 segregated funds deposited on behalf of such participant. If the payment  
39 is less than such amount, any excess amount shall be deposited in the  
40 General Fund.

41 (2) If a participant ceases to live in the state at any time up to one year  
42 after [such date] the date on which the Commissioner of Economic and  
43 Community Development issued the payment to the participant, such  
44 participant shall repay one hundred per cent of the amount paid out. If  
45 a participant ceases to live in the state at any time up to two years after  
46 such date, such participant shall repay eighty per cent of the amount

47 paid out. If a participant ceases to live in the state at any time up to three  
48 years after such date, such participant shall repay sixty per cent of the  
49 amount paid out. If a participant ceases to live in the state at any time  
50 up to four years after such date, such participant shall repay forty per  
51 cent of the amount paid out. If a participant ceases to live in the state at  
52 any time up to five years after such date, such participant shall repay  
53 twenty per cent of the amount paid out. After five years, there is no  
54 repayment obligation. Any amounts repaid under this subdivision shall  
55 be deposited in the General Fund.

56 (c) On or before December 1, [2012] 2025, the Commissioner of  
57 Economic and Community Development [may] shall develop, within  
58 available appropriations, a comprehensive public education program to  
59 educate recent graduates of a high school, public institution of higher  
60 education, private university or college, or health care training school in  
61 the state, or of a technical education and career school, about the  
62 program established under this section for first-time home buyers. The  
63 public education program shall include, but not be limited to,  
64 information concerning life-time savings plans and information on the  
65 purchase of a home. [If the commissioner develops such public  
66 education program, the department] The commissioner shall begin to  
67 implement such program not later than January 1, [2014] 2026.

68 Sec. 2. Section 32-4k of the general statutes is repealed and the  
69 following is substituted in lieu thereof (*Effective October 1, 2025*):

70 As part of the Learn Here, Live Here program established pursuant  
71 to section 32-4i, as amended by this act, for taxable years commencing  
72 on or after January 1, [2014] 2026, the Commissioner of Revenue Services  
73 shall segregate the income taxes paid by a participant in said program  
74 during a period not exceeding ten taxable years following the year of  
75 graduation. Upon the request of such participant, the commissioner  
76 shall segregate an annual amount of such tax liability, up to a maximum  
77 of two thousand five hundred dollars per year. The total amount  
78 segregated for all program participants shall not exceed [one] five  
79 million dollars in any calendar year. The commissioner shall deposit

80 such segregated amounts into the Connecticut first-time homebuyers  
81 account established pursuant to section 32-4j.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2025</i>	32-4i
Sec. 2	<i>October 1, 2025</i>	32-4k

**CE**      *Joint Favorable*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 26 \$</b>	<b>FY 27 \$</b>
Department of Economic & Community Development	GF - Cost	156,250	190,000
Department of Revenue Services	GF - Cost	100,000	None
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	53,432	71,243
Department of Revenue Services	GF - Revenue Loss	None	Up to 5,000,000

Note: GF=General Fund

### **Municipal Impact:** None

### **Explanation**

The bill, which requires the Department of Economic and Community Development (DECD) to establish the currently optional Learn Here, Live Here program, results in: 1) a General Fund revenue loss of up to \$5 million annually beginning in FY 27, 2) an ongoing salary and fringe benefit cost of \$184,682 in FY 26 and \$246,243 annually thereafter, 3) marketing and administrative costs of \$25,000 in FY 26 and \$15,000 annually thereafter and 4) a one-time cost of \$100,000 to the Department of Revenue Services (DRS) in FY 26 only.

### **Projected Costs**

Assuming 2,000 participants set aside the maximum \$2,500 in income tax payments annually the DECD would require two full-time positions at an annual cost of approximately \$246,243 (\$175,000 for salary and

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

\$71,243 for fringe benefits). These positions would be responsible for tracking the income eligibility, employment, residency, and participation status of program participants, as well as coordinating with the DRS to ensure proper income tax set-asides and file liens against any property's title for all homes purchased pursuant to the program. They would also be responsible for enforcing the program's claw back provisions as needed. DECD would also incur additional costs associated with marketing materials and other administrative expenses estimated to be \$25,000 in FY 26 and \$15,000 annually thereafter once the program is implemented.

The proposal is also estimated to result in a one-time set up and programming cost of \$100,000 in FY 26 to the DRS to administer the tax provisions of the proposal.

### **Background**

According to data from the National Center for Education Statistics, there are approximately 45,000 graduates from public colleges, independent colleges and vocational technical schools in Connecticut per year. A 2020 research report produced by the P20 WIN interagency collaborative shows that approximately 80% public college graduates were employed in Connecticut one year after graduation but the percentage decreases to approximately 70% eight years after graduation; it is not known how many independent college or vocational school graduates remain in the state. Based on data available through the State Department of Education, there are approximately 37,000 high school graduates annually.

### **The Out Years**

The annualized ongoing cost impact identified above would continue into the future subject to inflation. The annualized ongoing revenue impact identified above could be mitigated in the out years to the extent that program participants are subject to the bill's claw back provisions.

Sources: Connecticut State College and Universities Employment and Wages Summary Report – 2020, P20 WIN

National Center for Education Statistic, Intergrated Postsecondary Education  
Data System  
Connecticut State Department of Education, EdSight

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**OLR Bill Analysis****SB 576*****AN ACT REQUIRING THE ESTABLISHMENT OF THE LEARN HERE, LIVE HERE PROGRAM, INCREASING THE ANNUAL EXPENDITURE ON SUCH PROGRAM AND MAKING SUCH PROGRAM AVAILABLE TO CERTAIN INDIVIDUALS.*****SUMMARY**

This bill requires the Department of Economic and Community Development (DECD) commissioner, in consultation with the Department of Revenue Services (DRS) commissioner and Connecticut State Colleges and Universities chancellor, to establish the Learn Here, Live Here program by October 1, 2025. Current law allows these officials to establish the program, but they have not done so to date.

Under current law, the Learn Here, Live Here program, if established, allows eligible graduates to segregate a portion of their income tax payments and use them later for a down payment on the purchase of their first home in Connecticut. In mandating the program's establishment, the bill generally retains the program parameters in current law, except that it:

1. increases, from \$1 million to \$5 million, the cap on the aggregate amount of income tax payments that may be segregated annually under the program;
2. extends eligibility to in-state high school graduates (current law generally limits eligibility to graduates of in-state postsecondary institutions, see BACKGROUND); and
3. limits eligibility to people whose annual federal adjusted gross income is \$75,000 or less (current law does not set an income limit).



The bill also makes conforming changes to the program's implementation deadlines. Under current law, the program must be open to eligible students who graduate on or after January 1, 2014, from eligible institutions. The bill instead opens it to eligible students who graduate on or after January 1, 2026. It similarly delays, from January 1, 2014, to January 1, 2026, the date by which the DRS commissioner must begin segregating participating graduates' income tax payments. The bill also requires the DECD commissioner to market the program by (1) developing a comprehensive public education program for recent graduates by December 1, 2025, and (2) implementing it by January 1, 2026. Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

## **BACKGROUND**

### ***Learn Here, Live Here Program Requirements***

Once activated, the law allows participating graduates to segregate up to \$2,500 per year from their income tax payments for up to 10 years after graduation into the Connecticut first-time homebuyers account. A participant may apply to the DECD commissioner to withdraw some or all of the funds for a down payment any time within 10 years after graduation, and any balance remaining after 10 years must be deposited in the General Fund. If the participant does not withdraw any funds after 10 years, the entire amount must be deposited in the General Fund. If the participant moves out of Connecticut within five years after receiving funds for a down payment, he or she must repay the amount received on a prorated basis (e.g., 40% of the amount received for departures within four years after the payment).

### ***Eligibility***

The Learn Here, Live Here program is designed to help students graduating from specific educational institutions save money toward the purchase of their first home in Connecticut. Under current law, the program, once activated, is open to students graduating from regional technical schools, public or private universities and colleges, and health care training schools located here. The latter includes medical or dental

schools, chiropractic colleges, optometry schools or colleges, chiropody or podiatry schools or colleges, occupational therapy schools, hospital-based occupational schools, naturopathy schools or colleges, dental hygiene schools, physical therapy schools, and any other healing arts school or institution.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea     20     Nay   0     (03/18/2025)