Student Loan Repayment Tax Credit (SLRTC)

- Effective for tax year beginning on or after January 1, 2022. Educational Opportunity Tax Credit (EOTC) is repealed for tax years beginning on or after January 1, 2022.

- Qualified Individuals:
  - Resident individual, including spouse filing a joint return that meets the qualifications
  - Obtained an associate, bachelor’s, or graduate degree from an accredited community college, college, or university after December 31, 2007
  - Had earned income of at least the state minimum wage multiplied by 936 hours (part-time worker - $11,934 for 2022 tax year) during the tax year

- Refundable tax credit up to $2,500 per year ($25,000 lifetime credit cap) for eligible loans paid directly by the taxpayer. For tax years 2022-2026, an individual with EOTC carryover credits that do not exceed the 10-year carryforward limitation, may use those credits to meet the $2,500 annual cap

- Exception – up to $3,500 may be claimed for either tax year 2022 or 2023, whichever year is elected, by qualified individuals who received an EOTC credit during any tax year beginning in 2019, 2020, or 2021 what was based on loans acquired to obtain a bachelor’s degree or associate degree in science, technology, engineering, or mathematics (STEM). The extra $1,000 one-time benefit does not count against the SLRTC’s lifetime credit cap of $25,000.

- Estimated cost for tax year 2022 – approximately $100 million - $59 million more than estimated cost of EOTC in tax year 2022. Note, these estimates were developed when the student loan repayment pause was scheduled to expire on May 1, 2022.