



**Substitute House Bill No. 5406**

**Public Act No. 26-35**

**AN ACT CONCERNING ASSORTED MEASURES RECOGNIZING AND HONORING THE HEROISM OF VETERANS AND MEMBERS OF THE ARMED FORCES AND MAKING VARIOUS REVISIONS TO STATUTES RELATED TO VETERANS' AND MILITARY AFFAIRS.**

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

Section 1. (NEW) (*Effective July 1, 2026*) On and after July 1, 2026, the Commissioner of Veterans Affairs shall post in a conspicuous place on the Internet web site of the Department of Veterans Affairs:

(1) A plain-language warning about individuals who seek to act in violation of 38 USC Chapter 59, as amended from time to time, including individuals seeking to act as agents or attorneys in the preparation, presentation or prosecution of any claim under laws administered by the United States Secretary of Veterans Affairs without having been recognized for such purposes by said secretary;

(2) A link to a United States Department of Veterans Affairs online tool through which individuals lacking the recognition described in subdivision (1) of this section may be reported;

(3) A link to a United States Department of Veterans Affairs online tool through which agents, attorneys or other entities that are recognized by the United States Secretary of Veterans Affairs for the

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preparation, presentation or prosecution of any claim under laws administered by said secretary may be searched;

(4) A link to a United States Department of Veterans Affairs Internet web site or online tool that provides final decisions on discipline by the United States Secretary of Veterans Affairs of agents, attorneys and entities described in subdivision (3) of this section for violations of 38 USC Chapter 59, as amended from time to time; and

(5) A plain-language message discouraging veterans from sharing with anyone such veterans' United States Department of Veterans Affairs account login credentials or bank account login credentials, such as usernames or passwords.

Sec. 2. Subsection (b) of section 27-100f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(b) (1) On and after July 1, 2013, the Commissioner of Veterans Affairs [ or the commissioner's designee,] shall, within available appropriations, publish a list of qualified veterans' charitable organizations. [The commissioner shall place any qualified veterans' charitable organization on such list for a period of three years. Organizations]

(2) An organization may apply and reapply [to the commissioner] for inclusion on the list described in subdivision (1) of this subsection by submitting [information regarding such organization's status to the commissioner, on a form prescribed by the commissioner, and] to the commissioner, in a form and manner prescribed by the commissioner, (A) a complete copy of such organization's most recently filed Internal Revenue Service Form 990, including all parts and schedules, (B) proof of such organization's status as a tax exempt organization under Section 501(c) of the Internal Revenue Code of 1986, or any subsequent

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corresponding internal revenue code of the United States, as amended from time to time, and (C) any additional information the commissioner deems necessary to determine whether such organization constitutes a qualified veterans' charitable organization. [A qualified veterans' charitable organization is one which: (1) Holds itself out to be established for any benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy purpose relating to or on behalf of veterans; and (2) has been (A) a nonstock corporation, organized under chapter 602, or any predecessor thereto, for three or more years, or (B) a tax exempt organization under Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, for three or more consecutive years.]

(3) If the commissioner approves the application or reapplication of an organization under subdivision (2) of this subsection and accordingly determines that such organization constitutes a qualified veterans' charitable organization, the commissioner shall include such organization on the list described in subdivision (1) of this subsection, except that the commissioner may temporarily or permanently remove such organization from such list for good cause.

(4) The list of qualified veterans' charitable organizations, a link to each such organization's Internet web site [,] and the qualifications for inclusion on such list, as set forth in [subdivisions (1) and (2) of this subsection] subparagraphs (A), (B) and (C) of subdivision (2) of this subsection, shall be published on the informational Internet web site established in this section and shall bear a disclaimer as follows: "This list is prepared for the public solely for the purpose of information. The state of Connecticut provides no warranty about the content or accuracy of the content herein."

Sec. 3. Subsection (b) of section 27-102l of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu

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thereof (*Effective October 1, 2026*):

(b) (1) The commissioner may appoint a manager to administer an Office of Advocacy and Assistance for the aid and benefit of veterans and their spouses, eligible dependents and family members. The office shall have a staff of not [less] fewer than nineteen men and women, including not [less] fewer than fourteen veterans' service officers, and not [less] fewer than three clerical personnel. The manager and veterans' service officers shall be veterans, as defined in subsection (a) of section 27-103, or veterans who were awarded the armed forces expeditionary medal for service by the armed forces.

(2) (A) The manager shall develop a training module on (i) assisting and serving [women] veterans with regard to any available state or federal services or benefits, and (ii) identifying and advising such veterans of any community or nonprofit programs focused on assisting and serving such veterans and of any other charitable or social service organizations that may be able to provide assistance with services or benefits. The manager shall dedicate a portion of such training module to assisting, serving and advising women veterans and to addressing issues unique to women veterans. The manager shall also compile a list of any state and local resources, including and in addition to such community or nonprofit programs and charitable or social service organizations, that may be able to provide assistance to veterans in need of such assistance, which list shall be included in such training module and in the training course conducted pursuant to subdivision (3) of this subsection. The manager shall hold and provide instruction for an annual training session, in accordance with such module, to each veterans' service officer and any member of a municipal veterans advisory committee, director of municipal veterans services or municipal veterans representative, as described in subsection (c) of section 27-135, or representative from an Operation Academic Support for Incoming Service Members center at a public institution of higher

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education in this state.

(B) At least one of the veterans' service officers shall be a woman having a demonstrated interest in the concerns of women veterans, who shall be responsible for addressing those concerns, and, effective upon the next opening of a veterans' service officer position occurring on or after July 1, 2010, at least two of the veterans' service officers shall be individuals having bilingual proficiency in English and Spanish, within existing authorized positions. At least two of the veterans' service officers shall, in addition to carrying out the duties under this section, be responsible for overseeing and supporting municipalities' compliance with the provisions of section 27-135. Each veterans' service officer shall (i) successfully complete a course in veterans' benefits not later than one year after commencement of employment, (ii) attend the training session described in subparagraph (A) of this subdivision, and (iii) be assigned to one of the five congressional districts of the state.

(3) The office staff shall, at least twice annually, conduct a training course for any member of a municipal veterans advisory committee, director of municipal veterans services or municipal veterans representative. The office staff shall include in such training course (A) a summary of (i) state and federal services and benefits [ ] for veterans, community or nonprofit programs focused on assisting and serving veterans and other charitable or social service organizations that may be able to provide assistance with services or benefits, (ii) the requirements under section 27-135, and (iii) any assistance the office staff may provide to any such member, director or representative related to such requirements, and (B) the list of state and local resources compiled by the manager pursuant to subparagraph (A) of subdivision (2) of this subsection.

(4) (A) The office shall develop a written outreach plan identifying (i) strategies for conducting outreach to veterans and their spouses, eligible dependents and family members for purposes of providing assistance

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in claims for veterans' services or benefits, and (ii) to the extent possible, specific events and other opportunities to provide such assistance that are sponsored by the office or in which the office is participating. The office shall update such written outreach plan as necessary to improve the efficacy of its outreach efforts.

(B) The manager and each veterans' service officer shall electronically track information relating to outreach conducted or attended by the office, including, but not limited to, the title or type of any outreach event conducted or attended and the number of veterans or their spouses, eligible dependents or family members to whom substantive services or referrals were provided.

(C) The office shall utilize the notifications received from the administrator of each nursing home and assisted living facility in the state, pursuant to subdivision (2) of subsection (c) of this section, to develop an annual schedule for each veterans' service officer to visit nursing homes and assisted living facilities. The office shall compile any information collected as a result of such visits and provide quarterly reports on such information to the Board of Trustees for the Department of Veterans Affairs.

(D) The office shall provide quarterly reports to the Board of Trustees for the Department of Veterans Affairs on (i) concerns raised by veterans or their spouses, eligible dependents or family members, which concerns shall be summarized by type, frequency and resolution, (ii) petitions filed by veterans or their spouses, eligible dependents or family members received by the commissioner under section 27-102l(d)-54 of the regulations of Connecticut state agencies for the four preceding months, and (iii) copies of any such petitions.

(E) The office shall publish on the Internet web site of the Department of Veterans Affairs the list of state and local resources compiled by the manager pursuant to subparagraph (A) of subdivision (2) of this

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subsection.

Sec. 4. (NEW) (*Effective October 1, 2026*) (a) As used in this section:

(1) "Administrator" means the administrator of the Soldiers, Sailors and Marines Fund.

(2) (A) "Dental services" includes (i) preventive and diagnostic services, such as biannual examinations and prophylaxis, (ii) restorative services, such as fillings, root canals and crowns, (iii) prosthetics, such as partial and complete dentures, and (iv) oral surgery, such as extractions.

(B) "Dental services" does not include (i) dental implants, (ii) fixed bridges, (iii) orthodontics, (iv) cosmetic services, such as whitening or veneers, or (v) telehealth services.

(3) "Eligible veteran" means any veteran who (A) is a resident of the state, (B) has a service-connected disability rating of less than one hundred per cent and is not receiving dental care from the United States Department of Veterans Affairs, (C) has a household income at or below four hundred per cent of the federal poverty level, and (D) demonstrates all other proof of eligibility for aid from the fund, as set forth in the American Legion bylaws made available online pursuant to subdivision (1) of section 27-138a of the general statutes.

(4) "Soldiers, Sailors and Marines Fund" or "fund" means the Soldiers, Sailors and Marines Fund described in sections 27-138 to 27-140, inclusive, of the general statutes, as amended by this act.

(5) "Provider" means a dental practice, dental clinic or person licensed to practice dentistry or dental medicine in the state.

(6) "Veteran" has the same meaning as provided in section 27-103 of the general statutes.

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(b) There is established a Veterans Dental Care Access Program, to be operated by the administrator of the Soldiers, Sailors and Marines Fund with moneys from the fund, for the purpose of assisting eligible veterans with receiving dental services from providers that participate in such program. The administrator shall enter into a memorandum of understanding with a state-wide organization that represents licensed dentists to (1) identify such providers, and (2) coordinate in the operation of such program by assisting in the implementation of the provisions of this section, including, but not limited to, processing applications, making referrals to participating providers, reviewing treatment plans and notifying such providers regarding such treatment plans.

(c) On and after January 1, 2027, any eligible veteran may submit to the administrator an application, in the form available at town clerks' offices pursuant to subdivision (2) of section 27-138a of the general statutes or in such other form and manner as may be prescribed by the administrator, for assistance through the program established in subsection (b) of this section. Not later than ten days after receipt of any such application, the administrator shall verify whether the applicant satisfies all criteria for program eligibility and shall notify such applicant of the administrator's determination as to approval or rejection of such application. Any such approval shall be for two years, after which an applicant may reapply pursuant to the provisions of this subsection.

(d) Not later than thirty days after an approval under subsection (c) of this section, the administrator shall refer the eligible veteran to a participating provider for the purpose of scheduling an appointment to establish or continue, as applicable, dental care and to develop a treatment plan for such eligible veteran. The provider shall set forth in such treatment plan the dental services recommended for the eligible veteran and shall submit such treatment plan to the administrator for

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review. Not later than ten days after receipt of a treatment plan, the administrator shall approve or modify such treatment plan and notify the provider of such approval or modification. A provider may provide dental services to an eligible veteran only after such notification and only in accordance with such approval or modification.

(e) (1) (A) Except as provided in subparagraph (B) of this subdivision, not later than five days after the provision of dental services to an eligible veteran, a provider shall invoice the fund for such dental services. Not later than thirty days after receiving such invoice, the administrator shall remit payment to the provider for such dental services, subject to the provisions of subdivision (2) of this subsection, and shall advise such provider of the eligible veteran's status with regard to the maximum annual benefit described in said subdivision.

(B) If an eligible veteran has coverage under a health insurance plan for any of the dental services provided under subsection (d) of this section, the provider shall invoice the health insurer for such dental services and may only invoice the fund for the remaining balance on such dental services after exhausting all such coverage.

(2) The amount of dental services received by an eligible veteran for which the administrator may remit payment under subparagraph (A) of subdivision (1) of this subsection shall not exceed three thousand dollars per calendar year. If an eligible veteran receives dental services in a calendar year in an amount that exceeds three thousand dollars, the administrator shall refer such eligible veteran to the state-wide organization described in subsection (b) of this section to explore alternative sources of moneys to address such excess amount.

(f) The total costs to the fund for the operation of the program, including, but not limited to, the aggregate payments remitted to providers for dental services received by eligible veterans and any other expenses permitted by law that may be necessary to implement the

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provisions of this section, shall not exceed one million dollars per fiscal year.

(g) Not later than January 15, 2030, and annually thereafter, the administrator, in consultation with the state-wide organization with which the administrator entered into a memorandum of understanding pursuant to subsection (b) of this section, shall submit a report on the performance of the Veterans Dental Care Access Program, and any recommendations for improvement thereof, to the joint standing committees of the General Assembly having cognizance of matters relating to veterans' and military affairs and public health, in accordance with the provisions of section 11-4a of the general statutes.

Sec. 5. Section 27-140 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

All money so paid to and received by the American Legion shall be expended by it in furnishing temporary income; subsistence items such as food, wearing apparel, shelter and related expenses; medical or surgical aid or care; dental services in accordance with section 4 of this act; or other relief (1) to, or in bearing the funeral expenses of, soldiers, sailors or marines (A) (i) who performed service in time of war, as defined in section 27-103, in any branch of the military service of the United States, including the Connecticut National Guard, or (ii) who were engaged in any of the wars waged by the United States during said periods in the forces of any government associated with the United States, (B) who are or were veterans, as defined in section 27-103, and (C) who were citizens or resident aliens of the state at the time of entering said armed forces of the United States, including the Connecticut National Guard, or of any such government, (2) to their spouses who are living with them, (3) to their widows or widowers who were living with them at the time of death, or (4) to dependent children under eighteen years of age, who may be in need of the same. All such payments shall be made by the American Legion under authority of its

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bylaws, which bylaws shall set forth the procedure for proof of eligibility for such aid, provided payments made for the care and treatment of any person entitled to the benefits provided for herein [,] at any hospital receiving aid from the General Assembly, unless special care and treatment are required, shall be in accordance with the provisions of section 17b-239, and provided further the sum expended for the care or treatment of such person at any other place than a state-aided hospital shall in no case exceed the actual cost of supporting such person at the Healthcare Center in Rocky Hill maintained by the Department of Veterans Affairs, unless special care and treatment are required, when such sum as may be determined by the treasurer of such organization may be paid therefor. Upon the completion of the trust provided for in section 27-138, the principal fund shall revert to the State Treasury.

Sec. 6. (*Effective July 1, 2026*) (a) There is established a task force to study available means of encouraging nursing homes in the state to become federally contracted veterans nursing homes and increase the availability of nursing home care to veterans eligible for and in need of such care. The task force shall consider financial incentives, including, but not limited to, assistance to supplement reimbursement for such care and tax credits, and other manners of promoting such nursing homes to veterans eligible for care that is covered by the United States Department of Veterans Affairs. As used in this section, "nursing home" and "federally contracted veterans nursing home" have the same meanings as provided in section 19a-533 of the general statutes.

(b) The task force shall consist of the following members:

- (1) One appointed by the speaker of the House of Representatives;
- (2) One appointed by the president pro tempore of the Senate;
- (3) One appointed by the majority leader of the House of

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Representatives;

(4) One appointed by the majority leader of the Senate;

(5) One appointed by the minority leader of the House of Representatives;

(6) One appointed by the minority leader of the Senate; and

(7) The Commissioner of Veterans Affairs, or the commissioner's designee.

(c) Any member of the task force appointed under subdivision (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member of the General Assembly.

(d) All initial appointments to the task force shall be made not later than January 1, 2027. Any vacancy shall be filled by the appointing authority.

(e) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the task force from among the members of the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than February 1, 2027.

(f) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to veterans' and military affairs shall serve as administrative staff of the task force.

(g) Not later than January 1, 2029, the task force shall submit a report on its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to veterans' and military affairs, in accordance with the provisions of section 11-4a of the general statutes. The task force shall terminate on the date that it submits such report or January 1, 2029, whichever is later.

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Sec. 7. Section 27-102a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) Notwithstanding any provisions of the general statutes with respect to annual or biennial license or registration fees or occupational taxes, any resident of Connecticut on active duty with the armed forces of the United States shall be exempt from the payment of such fees or taxes during [his] such resident's period of active service and for one year following the date of [his] such resident's honorable discharge [or the date of his] from, or of such resident's release under honorable conditions [,] from, such service.

(b) Any member of the armed forces of any state or of any reserve component of the armed forces of the United States who has been called to active service in the armed forces of any state of the United States shall be exempt from the payment of any fine or late fee assessed for failure to renew a motor vehicle operator's license or motor vehicle registration or for failure to have emissions inspection performed in a timely manner, provided such member renews the license or registration or has the member's vehicle inspected at an official emissions inspection station [no] not later than [sixty] ninety days following the date such member is released from the qualifying military service.

Sec. 8. Subsection (a) of section 14-41 of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) (1) An original motor vehicle operator's license shall expire within a period not exceeding seven years following the date of the operator's next birthday. [The] Except as provided in subdivision (2) of this subsection, the fee for such license shall be eighty-four dollars. Upon renewal of a license, the commissioner may issue a license for a period to be determined by the commissioner, provided such period does not

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exceed eight years. The fee for the renewal of a license that expires eight years from the date of issuance shall be ninety-six dollars. The commissioner shall charge a prorated amount of such fee for a license that expires less than eight years from the date of issuance.

(2) The commissioner shall waive the fee for an original motor vehicle operator's license for any person who has been verified by the Department of Veterans Affairs to be a veteran, as defined in section 14-36h, in accordance with the provisions of subsection (e) of section 14-36h.

Sec. 9. Subsection (a) of section 1-1h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) Any person who does not possess a valid motor vehicle operator's license may apply to the Department of Motor Vehicles for an identity card. The application for an identity card shall be accompanied by the birth certificate of the applicant or a certificate of identification of the applicant issued and authorized for such use by the Department of Correction and a fee of twenty-eight dollars. Such application shall include: (1) The applicant's name; (2) the applicant's address; (3) whether the address is permanent or temporary; (4) the applicant's date of birth; (5) notice to the applicant that false statements on such application are punishable under section 53a-157b; and (6) such other pertinent information as the Commissioner of Motor Vehicles deems necessary. The applicant shall sign the application in the presence of an official of the Department of Motor Vehicles. The commissioner may waive the fee for any applicant (A) who has voluntarily surrendered such applicant's motor vehicle operator's license, (B) whose license has been refused by the commissioner pursuant to subdivision (4) of subsection (e) of section 14-36, or (C) [who is both a veteran, as defined in subsection (a) of section 27-103, and blind, as defined in subsection (a) of section 1-1f, or (D)] who is a resident of a homeless shelter or other facility for homeless persons or a certified homeless youth or certified

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homeless young adult. The commissioner shall waive the fee for any applicant who has been verified by the Department of Veterans Affairs to be a veteran, as defined in section 14-36h, in accordance with the provisions of subsection (e) of section 14-36h. The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, to establish the procedure and qualifications for the issuance of an identity card to any such homeless applicant. For the purposes of this subsection, "certified homeless youth" and "certified homeless young adult" have the same meanings as provided in section 7-36.

Sec. 10. Subsection (a) of section 17a-248e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(a) (1) Each eligible child and his or her family shall receive [(1)] (A) a multidisciplinary assessment of the child's unique needs and the identification of services appropriate to meet such needs, [(2)] (B) a written individualized family service plan developed by a multidisciplinary team, including the parent, [within] not later than forty-five days after the referral, [(3)] (C) a review of the individualized family service plan with the family at least every six months, with evaluation of the individualized family service plan at least annually, and [(4)] (D) not later than two months after the date on which any child is determined to be ineligible for participation in preschool programs under Part B of the Individuals with Disabilities Act, 20 USC 1471 et seq., a referral to register for a mobile application designated by the Commissioner of Early Childhood for the purpose of continued screening for developmental and social-emotional delays in partnership with the local or regional board of education for the school district in which such child resides pursuant to subparagraph (H) of subdivision (10) of subsection (a) of section 10-76d, provided a form used for screening for developmental and social-emotional delays using a validated screening tool, such as the Ages and Stages Questionnaire and

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the Ages and Stages Social-Emotional Questionnaire, or its equivalent, is provided to any family upon the request of such family for the purpose of completing and submitting such form to the local or regional board of education for the school district in which such child resides.

(2) If an eligible child of a member of the armed forces, as defined in section 27-103, is referred to this state's early intervention system as a result of such member having received military orders directing such member to the state or any other documents from the armed forces indicating the transfer of such member to the state, and such eligible child was enrolled in the early intervention system in the previous state or territory with an individualized family service plan pursuant to Part C of the Individuals with Disabilities Education Act, 20 USC 1431 et seq., this state's early intervention system shall take necessary steps, including, but not limited to, the transfer of any records and prior assessments, the performance of any reassessments and, not later than forty-five days after the referral, the holding of any meeting to develop a written individualized family service plan for such eligible child, to ensure a minimally disruptive transition to this state's provision of early intervention services.

Sec. 11. Section 27-15 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2027*):

The Governor [shall] may appoint [the] a military staff that, if so appointed, shall consist of the Adjutant General, who shall be chief of staff with the rank of lieutenant general; the assistant adjutant generals, one of whom shall serve as deputy chief of staff as provided under subsection (c) of section 27-24; [the chief of staff for the Connecticut Air National Guard; an air aide-de-camp with the rank of colonel, who shall be the senior aviation officer of the Connecticut National Guard; a Surgeon General, who shall be the senior medical officer of the National Guard; one aide-de-camp with the rank of colonel from the United States Air Force Reserve; one aide-de-camp with the rank of captain

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from the United States Naval Reserve; one aide-de-camp with the rank of colonel from the United States Marine Corps Reserve; one aide-de-camp with the rank of colonel from the United States Army Reserve; one aide-de-camp with the rank of lieutenant commander from the United States Coast Guard Reserve; five aides-de-camp, two with the rank of colonel, two with the rank of lieutenant colonel and one with the rank of major, all of whom shall be from the National Guard; and two enlisted aides-de-camp with the rank of sergeant major from the National Guard] and such other officers and senior enlisted noncommissioned officers from the armed forces of the state and the armed forces of the United States as the Governor deems necessary. Members appointed from the armed forces of the state shall retain their federal or state grades and shall remain subject to duty therein. [and, if appointed to such staff in a rank lower than the highest grade attained in federal or state service, shall serve on the staff in their highest recognized grade. Any requirement of this section that any member of the Governor's military staff shall be a member of, or hold any rank in, the National Guard shall be inapplicable whenever the National Guard is in active service with the Army, Navy or Air Force of the United States and at such time the military staff of the Governor may be appointed by the Governor from the organized or unorganized militia, ex-members of the United States Army or Navy or the Connecticut National Guard, or from civil life; and in addition to the active military staff the Governor may, at said Governor's discretion, appoint honorary staff members from the former National Guard or naval militia then on active military duty.] The Governor, or the Adjutant General, at any other time [,] may appoint honorary staff members to the Connecticut National Guard without regard to affiliation who shall serve without the pay, honors, privileges and benefits afforded [the] active [staff] members, including, but not limited to, allowances and tuition waivers. [The majors commandant of the first and second companies Governor's Foot Guards and the Governor's Horse Guards shall be ex-officio members of the Governor's military staff. The Governor shall also appoint the

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immediate predecessors of such majors commandant to serve as additional ex-officio members. In addition to the above-named officers, the Governor shall appoint three additional staff members, one of whom shall be a colonel or of equivalent naval rank and two of whom shall be majors or of equivalent naval rank.]

Sec. 12. Section 27-39a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) The state military training facility in Niantic shall be named Camp Nett [at Niantic] in honor of Connecticut Army National Guard Colonel Robert B. Nett, recipient of the congressional medal of honor for his actions on December 14, 1944, during the Second World War.

(b) The state military training facility in Windsor Locks shall be named Camp Hartell in honor of Connecticut Army National Guard First Lieutenant Lee R. Hartell, recipient of the congressional medal of honor for his actions on August 27, 1951, during the Korean hostilities.

Sec. 13. Section 27-19c of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

There is established an account to be known as the "chargeable transient quarters and billeting account", which shall be a separate, nonlapsing account. The account shall contain any moneys required by law to be deposited in the account, which shall include, but not be limited to, proceeds of room service charges at Camp Nett. [at Niantic.] Moneys in the account shall be expended by the Adjutant General for the purposes of billeting members of the armed forces at Camp Nett. [at Niantic.]

Sec. 14. Section 27-2 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

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The militia shall be divided into four classes as follows: The unorganized militia, the organized militia, the National Guard and the naval militia. The National Guard for the purposes of this chapter shall consist of the Army National Guard and the Air National Guard. The unorganized militia shall consist of all male citizens and all male residents of the state who have declared their intention to become citizens of the United States, between the ages of eighteen and forty-five years, not exempt from military duty by federal or state laws or by such reasons of physical or mental disabilities as shall be prescribed in general orders or regulations published by the Adjutant General and approved by the Governor and who are not members of the organized militia or of the National Guard or of the naval militia, and all female citizens and all female residents of the state who have declared their intention to become citizens of the United States, between the ages of eighteen and forty-five years, who may voluntarily offer their services to the state. The organized militia shall consist of the Governor's Guards, the State Guard and such other military forces as may be designated by the Governor as commander-in-chief, which may hereafter be organized under the provisions of the laws of this state. The National Guard shall consist of such forces as may be organized and maintained by this state pursuant to the laws and regulations of the United States relating to the National Guard. The naval militia shall consist of such persons as may enlist or be appointed or commissioned therein as a special force for coast protection and as a naval reserve and shall be organized and maintained by this state pursuant to the laws and regulations of the United States relating to the naval militia and may include a marine corps branch of the naval militia subordinate thereto in all matters pertaining to command, discipline or administration. The organized militia, the National Guard, the naval militia and marine corps branch of the naval militia, whenever organized, shall be, for all purposes under the general statutes, the armed forces of the state.

Sec. 15. Subsection (c) of section 14-21cc of the 2026 supplement to the

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general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(c) There is established the "Hispanic-American Veterans of Connecticut" commemorative account which shall be a separate, nonlapsing account, [within the General Fund.] The account shall contain any moneys required by law to be deposited in the account. The funds in said account shall be used by Hispanic-American Veterans of Connecticut, Inc. to provide bilingual services and assistance to Connecticut veterans and members of the armed forces. Hispanic-American Veterans of Connecticut, Inc. may receive private donations to said account and any such donations shall be deposited in said account.

Sec. 16. Section 27-73e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

The Commissioner of Veterans Affairs, in conjunction with the Adjutant General, shall award a ribbon and medal to each (1) veteran who either (A) was a resident of this state at the time he or she was called to active duty for service in time of war, or (B) is domiciled in this state on the date of such award, and (2) former member of any reserve component of the armed forces who was honorably discharged [who] and either (A) was a resident of this state at the time he or she was serving in such reserve component during a period of war, or (B) is domiciled in this state on the date of such award. The commissioner, in conjunction with the Adjutant General, shall adopt regulations, in accordance with chapter 54, setting forth the process for designing the ribbon and medal, identifying such veterans and former members who are eligible for the ribbon and medal under this section and establishing procedures for distributing the ribbon and medal to each such eligible veteran and former member. The cost of the ribbons and medals shall be paid from the funds appropriated to the military assistance account within the Military Department. Within existing budgetary resources,

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awards under this section may be made posthumously for veterans who died on or after November 12, 1918. As used in this section, "veteran", "service in time of war" and "period of war" have the same meanings as provided in subsection (a) of section 27-103.

Sec. 17. (NEW) (*Effective October 1, 2026*) The state military readiness center in Putnam shall be named the Captain-General John Dempsey Putnam Army National Guard Readiness Center in honor of John Dempsey, who served as mayor of and state representative for the town of Putnam and as the eighty-first governor of Connecticut.

Sec. 18. Subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026, and applicable to taxable years commencing on or after January 1, 2026*):

(B) There shall be subtracted therefrom:

(i) To the extent properly includable in gross income for federal income tax purposes, any income with respect to which taxation by any state is prohibited by federal law;

(ii) To the extent allowable under section 12-718, exempt dividends paid by a regulated investment company;

(iii) To the extent properly includable in gross income for federal income tax purposes, the amount of any refund or credit for overpayment of income taxes imposed by this state, or any other state of the United States or a political subdivision thereof, or the District of Columbia;

(iv) To the extent properly includable in gross income for federal income tax purposes and not otherwise subtracted from federal adjusted gross income pursuant to clause (x) of this subparagraph in computing Connecticut adjusted gross income, any tier 1 railroad

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retirement benefits;

(v) To the extent any additional allowance for depreciation under Section 168(k) of the Internal Revenue Code for property placed in service after September 27, 2017, was added to federal adjusted gross income pursuant to subparagraph (A)(ix) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such additional allowance for depreciation in each of the four succeeding taxable years;

(vi) To the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut;

(vii) To the extent properly includable in determining the net gain or loss from the sale or other disposition of capital assets for federal income tax purposes, any gain from the sale or exchange of obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, in the income year such gain was recognized;

(viii) Any interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible in determining federal adjusted gross income and is attributable to a trade or business carried on by such individual;

(ix) Ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income which is subject to taxation under this chapter but exempt from federal income tax, or

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the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such expenses and premiums are not deductible in determining federal adjusted gross income and are attributable to a trade or business carried on by such individual;

(x) (I) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes;

(II) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is sixty thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is sixty thousand dollars or more, an

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amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(III) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; and

(IV) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is one hundred thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is one hundred thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for

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federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(xi) To the extent properly includable in gross income for federal income tax purposes, any amount rebated to a taxpayer pursuant to section 12-746;

(xii) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, any distribution to such beneficiary from any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiii) To the extent allowable under section 12-701a, contributions to accounts established pursuant to any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any Holocaust victims' settlement payment received in the taxable year by a Holocaust victim;

(xv) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, as defined in section 3-123aa, interest, dividends or capital gains earned on contributions to accounts established for the designated beneficiary pursuant to the Connecticut Homecare Option Program for the Elderly established by sections 3-123aa to 3-123ff, inclusive;

(xvi) To the extent properly includable in gross income for federal income tax purposes, any income received from the United States

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government as retirement pay for a retired member of (I) the Armed Forces of the United States, as defined in Section 101 of Title 10 of the United States Code, or (II) the National Guard, as defined in Section 101 of Title 10 of the United States Code;

(xvii) To the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after December 31, 2008, and before January 1, 2011, of an applicable debt instrument or instruments, as those terms are defined in Section 108 of the Internal Revenue Code, as amended by Section 1231 of the American Recovery and Reinvestment Act of 2009, to the extent any such income was added to federal adjusted gross income pursuant to subparagraph (A)(xi) of this subdivision in computing Connecticut adjusted gross income for a preceding taxable year;

(xviii) To the extent not deductible in determining federal adjusted gross income, the amount of any contribution to a manufacturing reinvestment account established pursuant to section 32-9zz in the taxable year that such contribution is made;

(xix) To the extent properly includable in gross income for federal income tax purposes, (I) for the taxable year commencing January 1, 2015, ten per cent of the income received from the state teachers' retirement system, (II) for the taxable years commencing January 1, 2016, to January 1, 2020, inclusive, twenty-five per cent of the income received from the state teachers' retirement system, and (III) for the taxable year commencing January 1, 2021, and each taxable year thereafter, fifty per cent of the income received from the state teachers' retirement system or, for a taxpayer whose federal adjusted gross income does not exceed the applicable threshold under clause (xx) of this subparagraph, the percentage pursuant to said clause of the income received from the state teachers' retirement system, whichever deduction is greater;

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(xx) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2019, fourteen per cent of any pension or annuity income, (II) for the taxable year commencing January 1, 2020, twenty-eight per cent of any pension or annuity income, (III) for the taxable year commencing January 1, 2021, forty-two per cent of any pension or annuity income, and (IV) for the taxable years commencing January 1, 2022, and January 1, 2023, one hundred per cent of any pension or annuity income;

(xxi) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than

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one hundred thousand dollars:

T1	Federal Adjusted Gross Income	Deduction
T2	Less than \$75,000	100.0%
T3	\$75,000 but not over \$77,499	85.0%
T4	\$77,500 but not over \$79,999	70.0%
T5	\$80,000 but not over \$82,499	55.0%
T6	\$82,500 but not over \$84,999	40.0%
T7	\$85,000 but not over \$87,499	25.0%
T8	\$87,500 but not over \$89,999	10.0%
T9	\$90,000 but not over \$94,999	5.0%
T10	\$95,000 but not over \$99,999	2.5%
T11	\$100,000 and over	0.0%

(xxii) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule for married individuals who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars:

T12	Federal Adjusted Gross Income	Deduction
T13	Less than \$100,000	100.0%
T14	\$100,000 but not over \$104,999	85.0%
T15	\$105,000 but not over \$109,999	70.0%
T16	\$110,000 but not over \$114,999	55.0%
T17	\$115,000 but not over \$119,999	40.0%
T18	\$120,000 but not over \$124,999	25.0%
T19	\$125,000 but not over \$129,999	10.0%

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T20	\$130,000 but not over \$139,999	5.0%
T21	\$140,000 but not over \$149,999	2.5%
T22	\$150,000 and over	0.0%

(xxiii) The amount of lost wages and medical, travel and housing expenses, not to exceed ten thousand dollars in the aggregate, incurred by a taxpayer during the taxable year in connection with the donation to another person of an organ for organ transplantation occurring on or after January 1, 2017;

(xxiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any financial assistance received from the Crumbling Foundations Assistance Fund or paid to or on behalf of the owner of a residential building pursuant to sections 8-442 and 8-443;

(xxv) To the extent properly includable in gross income for federal income tax purposes, the amount calculated pursuant to subsection (b) of section 12-704g for income received by a general partner of a venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to time;

(xxvi) To the extent any portion of a deduction under Section 179 of the Internal Revenue Code was added to federal adjusted gross income pursuant to subparagraph (A)(xiv) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such disallowed portion of the deduction in each of the four succeeding taxable years;

(xxvii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross

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income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, for the taxable year commencing January 1, 2023, twenty-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account;

(xxviii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

T23	Federal Adjusted Gross Income	Deduction
T24	Less than \$75,000	100.0%
T25	\$75,000 but not over \$77,499	85.0%
T26	\$77,500 but not over \$79,999	70.0%
T27	\$80,000 but not over \$82,499	55.0%

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T28	\$82,500 but not over \$84,999	40.0%
T29	\$85,000 but not over \$87,499	25.0%
T30	\$87,500 but not over \$89,999	10.0%
T31	\$90,000 but not over \$94,999	5.0%
T32	\$95,000 but not over \$99,999	2.5%
T33	\$100,000 and over	0.0%

(xxix) To the extent properly includable in gross income for federal income tax purposes, for married individuals who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

T34	Federal Adjusted Gross Income	Deduction
T35	Less than \$100,000	100.0%
T36	\$100,000 but not over \$104,999	85.0%
T37	\$105,000 but not over \$109,999	70.0%
T38	\$110,000 but not over \$114,999	55.0%
T39	\$115,000 but not over \$119,999	40.0%
T40	\$120,000 but not over \$124,999	25.0%
T41	\$125,000 but not over \$129,999	10.0%
T42	\$130,000 but not over \$139,999	5.0%
T43	\$140,000 but not over \$149,999	2.5%
T44	\$150,000 and over	0.0%

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(xxx) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2022, the amount or amounts paid or otherwise credited to any eligible resident of this state under (I) the 2020 Earned Income Tax Credit enhancement program from funding allocated to the state through the Coronavirus Relief Fund established under the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned Income Tax Credit enhancement program from funding allocated to the state pursuant to Section 9901 of Subtitle M of Title IX of the American Rescue Plan Act of 2021, P.L. 117-2;

(xxxii) For the taxable year commencing January 1, 2023, and each taxable year thereafter, for a taxpayer licensed under the provisions of chapter 420f or 420h, the amount of ordinary and necessary expenses that would be eligible to be claimed as a deduction for federal income tax purposes under Section 162(a) of the Internal Revenue Code but that are disallowed under Section 280E of the Internal Revenue Code because marijuana is a controlled substance under the federal Controlled Substance Act;

(xxxiii) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing on or after January 1, 2025, and each taxable year thereafter, any common stock received by the taxpayer during the taxable year under a share plan, as defined in section 12-217ss;

(xxxiiii) To the extent properly includable in gross income for federal income tax purposes, the amount of any student loan reimbursement payment received by a taxpayer pursuant to section 10a-19m;

(xxxv) Contributions to an ABLE account established pursuant to sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for each individual taxpayer or ten thousand dollars for taxpayers filing a

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joint return;

(xxxv) To the extent properly includable in gross income for federal income tax purposes, the amount of any payment received pursuant to subsection (c) of section 3-122a;

(xxxvi) For an account holder, as defined in section 12-724b, who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars:

(I) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2027, an amount equal to the contributions deposited during the taxable years commencing January 1, 2026, and January 1, 2027, in a first-time homebuyer savings account established pursuant to subsection (c) of section 12-724b, less any amounts withdrawn during said taxable years by the account holder from such account under subparagraph (D) of subdivision (2) of subsection (f) of section 12-724b. The amount claimed under this subclause shall not exceed two thousand five hundred dollars for each such taxable year for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for each such taxable year for married individuals filing jointly;

(II) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2028, and each taxable year thereafter, an amount equal to the contributions deposited during the taxable year in a first-time homebuyer savings account established pursuant to subsection (c) of section 12-724b, less any

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amounts withdrawn during the taxable year by the account holder from such account pursuant to subparagraph (D) of subdivision (2) of subsection (f) of section 12-724b. The amount allowed to be claimed under this subclause for the taxable year shall not exceed two thousand five hundred dollars for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for married individuals filing jointly; and

(III) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2027, and each taxable year thereafter, an amount equal to the sum of all interest accrued on a first-time homebuyer savings account, established pursuant to subsection (c) of section 12-724b, during the taxable year; [and]

(xxxvii) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2027, and each taxable year thereafter, for an account holder who is a qualified beneficiary of a first-time homebuyer savings account, as those terms are defined in section 12-724b, and who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars, an amount equal to any withdrawal from such account that is used to pay or reimburse such qualified beneficiary for eligible costs, as defined in section 12-724b, incurred by the qualified beneficiary; and

(xxxviii) To the extent properly includable in gross income for federal income tax purposes, the amount of any compensation received for attending a funeral as a member of an honor guard detail pursuant to section 27-76.

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Sec. 19. Subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the 2026 supplement to the general statutes, as amended by section 18 of this act, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026, and applicable to taxable years commencing on or after January 1, 2027*):

(B) There shall be subtracted therefrom:

(i) To the extent properly includable in gross income for federal income tax purposes, any income with respect to which taxation by any state is prohibited by federal law;

(ii) To the extent allowable under section 12-718, exempt dividends paid by a regulated investment company;

(iii) To the extent properly includable in gross income for federal income tax purposes, the amount of any refund or credit for overpayment of income taxes imposed by this state, or any other state of the United States or a political subdivision thereof, or the District of Columbia;

(iv) To the extent properly includable in gross income for federal income tax purposes and not otherwise subtracted from federal adjusted gross income pursuant to clause (x) of this subparagraph in computing Connecticut adjusted gross income, any tier 1 railroad retirement benefits;

(v) To the extent any additional allowance for depreciation under Section 168(k) of the Internal Revenue Code for property placed in service after September 27, 2017, was added to federal adjusted gross income pursuant to subparagraph (A)(ix) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such additional allowance for depreciation in each of the four succeeding taxable years;

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(vi) To the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut;

(vii) To the extent properly includable in determining the net gain or loss from the sale or other disposition of capital assets for federal income tax purposes, any gain from the sale or exchange of obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, in the income year such gain was recognized;

(viii) Any interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible in determining federal adjusted gross income and is attributable to a trade or business carried on by such individual;

(ix) Ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income which is subject to taxation under this chapter but exempt from federal income tax, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such expenses and premiums are not deductible in determining federal adjusted gross income and are attributable to a trade or business carried on by such individual;

(x) (I) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried

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individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes;

(II) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is sixty thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is sixty thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(III) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars,

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or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; and

(IV) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is one hundred thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is one hundred thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(xi) To the extent properly includable in gross income for federal income tax purposes, any amount rebated to a taxpayer pursuant to section 12-746;

(xii) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, any distribution to

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such beneficiary from any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiii) To the extent allowable under section 12-701a, contributions to accounts established pursuant to any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any Holocaust victims' settlement payment received in the taxable year by a Holocaust victim;

(xv) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, as defined in section 3-123aa, interest, dividends or capital gains earned on contributions to accounts established for the designated beneficiary pursuant to the Connecticut Homecare Option Program for the Elderly established by sections 3-123aa to 3-123ff, inclusive;

(xvi) To the extent properly includable in gross income for federal income tax purposes, any income received from the United States government as retirement pay for a retired member of (I) the Armed Forces of the United States, as defined in Section 101 of Title 10 of the United States Code, or (II) the National Guard, as defined in Section 101 of Title 10 of the United States Code;

(xvii) To the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after December 31, 2008, and before January 1, 2011, of an applicable debt instrument or instruments, as those terms are defined in Section 108 of the Internal

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Revenue Code, as amended by Section 1231 of the American Recovery and Reinvestment Act of 2009, to the extent any such income was added to federal adjusted gross income pursuant to subparagraph (A)(xi) of this subdivision in computing Connecticut adjusted gross income for a preceding taxable year;

(xviii) To the extent not deductible in determining federal adjusted gross income, the amount of any contribution to a manufacturing reinvestment account established pursuant to section 32-9zz in the taxable year that such contribution is made;

(xix) To the extent properly includable in gross income for federal income tax purposes, (I) for the taxable year commencing January 1, 2015, ten per cent of the income received from the state teachers' retirement system, (II) for the taxable years commencing January 1, 2016, to January 1, 2020, inclusive, twenty-five per cent of the income received from the state teachers' retirement system, and (III) for the taxable year commencing January 1, 2021, and each taxable year thereafter, fifty per cent of the income received from the state teachers' retirement system or, for a taxpayer whose federal adjusted gross income does not exceed the applicable threshold under clause (xx) of this subparagraph, the percentage pursuant to said clause of the income received from the state teachers' retirement system, whichever deduction is greater;

(xx) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such

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taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2019, fourteen per cent of any pension or annuity income, (II) for the taxable year commencing January 1, 2020, twenty-eight per cent of any pension or annuity income, (III) for the taxable year commencing January 1, 2021, forty-two per cent of any pension or annuity income, and (IV) for the taxable years commencing January 1, 2022, and January 1, 2023, one hundred per cent of any pension or annuity income;

(xxi) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars:

T45	Federal Adjusted Gross Income	Deduction
T46	Less than \$75,000	100.0%
T47	\$75,000 but not over \$77,499	85.0%
T48	\$77,500 but not over \$79,999	70.0%
T49	\$80,000 but not over \$82,499	55.0%
T50	\$82,500 but not over \$84,999	40.0%
T51	\$85,000 but not over \$87,499	25.0%

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T52	\$87,500 but not over \$89,999	10.0%
T53	\$90,000 but not over \$94,999	5.0%
T54	\$95,000 but not over \$99,999	2.5%
T55	\$100,000 and over	0.0%

(xxii) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule for married individuals who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars:

T56	Federal Adjusted Gross Income	Deduction
T57	Less than \$100,000	100.0%
T58	\$100,000 but not over \$104,999	85.0%
T59	\$105,000 but not over \$109,999	70.0%
T60	\$110,000 but not over \$114,999	55.0%
T61	\$115,000 but not over \$119,999	40.0%
T62	\$120,000 but not over \$124,999	25.0%
T63	\$125,000 but not over \$129,999	10.0%
T64	\$130,000 but not over \$139,999	5.0%
T65	\$140,000 but not over \$149,999	2.5%
T66	\$150,000 and over	0.0%

(xxiii) The amount of lost wages and medical, travel and housing expenses, not to exceed ten thousand dollars in the aggregate, incurred by a taxpayer during the taxable year in connection with the donation to another person of an organ for organ transplantation occurring on or after January 1, 2017;

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(xxiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any financial assistance received from the Crumbling Foundations Assistance Fund or paid to or on behalf of the owner of a residential building pursuant to sections 8-442 and 8-443;

(xxv) To the extent properly includable in gross income for federal income tax purposes, the amount calculated pursuant to subsection (b) of section 12-704g for income received by a general partner of a venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to time;

(xxvi) To the extent any portion of a deduction under Section 179 of the Internal Revenue Code was added to federal adjusted gross income pursuant to subparagraph (A)(xiv) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such disallowed portion of the deduction in each of the four succeeding taxable years;

(xxvii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, for the taxable year commencing January 1, 2023, twenty-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account;

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(xxviii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

T67	Federal Adjusted Gross Income	Deduction
T68	Less than \$75,000	100.0%
T69	\$75,000 but not over \$77,499	85.0%
T70	\$77,500 but not over \$79,999	70.0%
T71	\$80,000 but not over \$82,499	55.0%
T72	\$82,500 but not over \$84,999	40.0%
T73	\$85,000 but not over \$87,499	25.0%
T74	\$87,500 but not over \$89,999	10.0%
T75	\$90,000 but not over \$94,999	5.0%
T76	\$95,000 but not over \$99,999	2.5%
T77	\$100,000 and over	0.0%

(xxix) To the extent properly includable in gross income for federal income tax purposes, for married individuals who file a return under the federal income tax as married individuals filing jointly whose

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federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

T78	Federal Adjusted Gross Income	Deduction
T79	Less than \$100,000	100.0%
T80	\$100,000 but not over \$104,999	85.0%
T81	\$105,000 but not over \$109,999	70.0%
T82	\$110,000 but not over \$114,999	55.0%
T83	\$115,000 but not over \$119,999	40.0%
T84	\$120,000 but not over \$124,999	25.0%
T85	\$125,000 but not over \$129,999	10.0%
T86	\$130,000 but not over \$139,999	5.0%
T87	\$140,000 but not over \$149,999	2.5%
T88	\$150,000 and over	0.0%

(xxx) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2022, the amount or amounts paid or otherwise credited to any eligible resident of this state under (I) the 2020 Earned Income Tax Credit enhancement program from funding allocated to the state through the Coronavirus Relief Fund established under the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned Income Tax Credit enhancement program from funding allocated to the state pursuant to Section 9901 of Subtitle M of Title IX of the American

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Rescue Plan Act of 2021, P.L. 117-2;

(xxxix) For the taxable year commencing January 1, 2023, and each taxable year thereafter, for a taxpayer licensed under the provisions of chapter 420f or 420h, the amount of ordinary and necessary expenses that would be eligible to be claimed as a deduction for federal income tax purposes under Section 162(a) of the Internal Revenue Code but that are disallowed under Section 280E of the Internal Revenue Code because marijuana is a controlled substance under the federal Controlled Substance Act;

(xxxix) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing on or after January 1, 2025, and each taxable year thereafter, any common stock received by the taxpayer during the taxable year under a share plan, as defined in section 12-217ss;

(xxxix) To the extent properly includable in gross income for federal income tax purposes, the amount of any student loan reimbursement payment received by a taxpayer pursuant to section 10a-19m;

(xxxix) Contributions to an ABLE account established pursuant to sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for each individual taxpayer or ten thousand dollars for taxpayers filing a joint return;

(xxxix) To the extent properly includable in gross income for federal income tax purposes, the amount of any payment received pursuant to subsection (c) of section 3-122a;

(xxxix) For an account holder, as defined in section 12-724b, who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the

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federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars:

(I) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2027, an amount equal to the contributions deposited during the taxable years commencing January 1, 2026, and January 1, 2027, in a first-time homebuyer savings account established pursuant to subsection (c) of section 12-724b, less any amounts withdrawn during said taxable years by the account holder from such account under subparagraph (D) of subdivision (2) of subsection (f) of section 12-724b. The amount claimed under this subclause shall not exceed two thousand five hundred dollars for each such taxable year for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for each such taxable year for married individuals filing jointly;

(II) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2028, and each taxable year thereafter, an amount equal to the contributions deposited during the taxable year in a first-time homebuyer savings account established pursuant to subsection (c) of section 12-724b, less any amounts withdrawn during the taxable year by the account holder from such account pursuant to subparagraph (D) of subdivision (2) of subsection (f) of section 12-724b. The amount allowed to be claimed under this subclause for the taxable year shall not exceed two thousand five hundred dollars for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for married individuals filing jointly; and

(III) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2027, and each taxable year thereafter, an amount equal to the sum of all

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interest accrued on a first-time homebuyer savings account, established pursuant to subsection (c) of section 12-724b, during the taxable year;

(xxxvii) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2027, and each taxable year thereafter, for an account holder who is a qualified beneficiary of a first-time homebuyer savings account, as those terms are defined in section 12-724b, and who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars, an amount equal to any withdrawal from such account that is used to pay or reimburse such qualified beneficiary for eligible costs, as defined in section 12-724b, incurred by the qualified beneficiary; [and]

(xxxviii) To the extent properly includable in gross income for federal income tax purposes, the amount of any compensation received for attending a funeral as a member of an honor guard detail pursuant to section 27-76; and

(xxxix) To the extent properly includable in gross income for federal income tax purposes, the amount of any pay received by a member of the National Guard as a result of such member being ordered out for active service pursuant to section 27-16.

Sec. 20. (Effective July 1, 2026) Not later than January 1, 2027, the State Long-Term Care Ombudsman shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to veterans' and military affairs with recommendations for (1) the establishment of an Office of the Veterans' and Military

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Healthcare Ombudsman, (2) the appointment of an individual to serve as the Veterans' and Military Healthcare Ombudsman to head said office, which individual shall have expertise and experience in a field concerning the health care of veterans, members of the armed forces and their families, (3) the powers and duties of said office, and (4) the staffing requirements of said office.

Sec. 21. (NEW) (*Effective July 1, 2026*) (a) There is established an account to be known as the "Military Department emergency response account", which shall be a separate, nonlapsing account. The account shall contain any moneys required or permitted by law to be deposited in the account. Any balance remaining in the account at the end of any fiscal year shall be carried forward in the account for the fiscal year next succeeding.

(b) The Adjutant General shall administer the account. Moneys in the account shall be used for the purpose of covering costs incurred by the Military Department, or by other state personnel and resources, in responding to an emergency, including, but not limited to, any natural disaster, civil emergency or other event requiring a state response, whenever federal moneys for such purpose are not immediately available, provided any such use shall be approved by the Governor in consultation with the Commissioner of Emergency Services and Public Protection.

Sec. 22. (*Effective July 1, 2026*) For the fiscal year ending June 30, 2027, the Treasurer shall transfer the sum of five hundred thousand dollars from the Military Relief Fund, established under section 27-100a of the general statutes, to the Military Department emergency response account, established under section 21 of this act.

Sec. 23. (*Effective from passage*) (a) The Commissioner of Revenue Services, in consultation with the Commissioner of Veterans Affairs and representatives of military and veterans' organizations that are exempt

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from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, and that are operating in this state, shall conduct a study to (1) determine the amount of tangible personal property or services purchased annually by such organizations, and (2) evaluate the fiscal impact of establishing an exemption from the state sales and use tax for such organizations.

(b) Not later than January 1, 2027, the Commissioner of Revenue Services shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, regarding the findings of such study and any recommendations for legislation to the joint standing committee of the General Assembly having cognizance of matters relating to veterans' and military affairs.