
OLR Bill Analysis

SB 373

AN ACT ALLOWING A PERSONAL INCOME TAX DEDUCTION FOR STIPENDS PAID TO VOLUNTEER FIREFIGHTERS, VOLUNTEER FIRE POLICE OFFICERS AND VOLUNTEER AMBULANCE MEMBERS.

SUMMARY

This bill establishes a state income tax deduction of up to \$2,000 for certain payments volunteer firefighters and emergency medical services (EMS) personnel receive for their service. The deduction applies to “qualified payments,” which, under federal law, generally means state or local payments to someone for his or her services as a member of a volunteer organization that is organized, operated, and contractually obligated to provide firefighting or EMS services to the state or locality.

Under federal law, individuals may exclude up to \$600 of qualified payments they receive from their gross income for federal tax purposes. Because the starting point for Connecticut’s income tax is an individual’s federal adjusted gross income, this federal exemption automatically applies to the individual’s Connecticut income tax, unless state law provides otherwise.

The bill allows individuals to deduct up to \$2,000 in qualified payments that are included in the taxpayer’s gross income for federal income tax purposes (i.e. qualified payments that are taxable for federal income tax purposes because they exceed the \$600 maximum). The bill’s maximum deduction amount applies regardless of the taxpayer’s filing status.

EFFECTIVE DATE: January 1, 2027, and applicable to tax years beginning on or after that date.

BACKGROUND

Other Federal Deduction for Volunteer Firefighters and EMS Personnel

Eligible taxpayers may exclude from their federal gross income any income tax or property tax rebate or reduction provided to volunteer firefighters and EMS personnel by a state or political subdivision (26 U.S.C. § 139B).

Connecticut Property Tax Relief

State law allows municipalities to provide, by ordinance, a \$2,000 property tax abatement (or the equivalent amount in the form of an exemption) to specified volunteer emergency personnel, including volunteer firefighters and emergency medical technicians and paramedics (CGS § 12-81w).

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable

Yea 29 Nay 0 (03/17/2026)