



General Assembly

February Session, 2026

Committee Bill No. 1

LCO No. 3288



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING AFFORDABILITY.

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

1 Section 1. Section 12-412 of the 2026 supplement to the general
2 statutes is amended by adding subdivisions (128) to (130), inclusive, as
3 follows (*Effective July 1, 2026, and applicable to sales occurring on or after*
4 *July 1, 2026*):

5 (NEW) (128) Articles of clothing or footwear intended to be worn on
6 or about the human body, the cost of which article to the purchaser is
7 less than one hundred dollars. Clothing or footwear does not include
8 (A) any special clothing or footwear primarily designed for athletic
9 activity or protective use and which is not normally worn except when
10 used for the athletic activity or protective use for which it was designed,
11 or (B) jewelry, handbags, luggage, umbrellas, wallets, watches and
12 similar items carried on or about the human body but not worn on the
13 body in the manner characteristic of clothing intended for exemption
14 under this subdivision.

15 (NEW) (129) Nonelectronic school supplies, such as backpacks,

16 lunchboxes, notebooks, pens and pencils, crayons, rulers and paper.

17 (NEW) (130) Air conditioners, boilers, furnaces, heat pumps, clothes
18 washers, clothes dryers, standard size refrigerators, dehumidifiers and
19 programmable thermostats, provided such items are for residential use
20 and meet or exceed federal Energy Star standards.

21 Sec. 2. Subdivision (13) of section 12-412 of the 2026 supplement to
22 the general statutes is repealed and the following is substituted in lieu
23 thereof (*Effective October 1, 2026, and applicable to sales occurring on or after*
24 *October 1, 2026*):

25 (13) Sales of food products for human consumption.

26 (A) (i) "Food products" include cereals and cereal products, milk and
27 milk products, oleomargarine, meat and meat products, fish and fish
28 products, eggs and egg products, vegetables and vegetable products,
29 fruit and fruit products, spices and salt, sugar and sugar products other
30 than candy and confectionery; coffee and coffee substitutes, tea, cocoa
31 and cocoa products other than candy and confectionery.

32 (ii) "Food products" do not include spirituous, malt or vinous liquors,
33 soft drinks, sodas or beverages such as are ordinarily dispensed at bars
34 and soda fountains, or in connection therewith, medicines except by
35 prescription, tonics and preparations in liquid, powdered, granular,
36 tablet, capsule, lozenge and pill form sold as dietary supplements or
37 adjuncts. "Food products" also do not include meals sold by an eating
38 establishment or caterer.

39 (B) (i) "Meal" means food products [which] that are furnished,
40 prepared or served in such a form and in such portions that they are
41 ready for immediate consumption [. A meal as defined in this
42 subsection] and includes (I) food products [which] that are sold on a
43 "take out" or "to go" basis and [which] are actually packaged or
44 wrapped, and (II) trays, pans or platters of food that are prepared and
45 delivered by a grocery store. The sale of a meal [, as defined in this

46 subsection,] is a taxable sale.

47 (ii) "Meal" does not include sandwiches, grinders, hot or iced coffee
48 or hot or iced tea, that is ready to be consumed and are prepared in a
49 grocery store at a delicatessen counter or elsewhere for takeout, unless
50 such items are sold in an area of a grocery store where food is intended
51 to be consumed on the premises, such as a food court or a snack bar.

52 (C) "Eating establishment" means a place where meals are sold and
53 includes a restaurant, cafeteria, grinder shop, pizzeria, drive-in, fast
54 food outlet, ice cream truck, hot dog cart, refreshment stand, sandwich
55 shop, private or social club, cocktail lounge, tavern, diner [,] or snack
56 bar, or a hotel or boarding house [which] that furnishes both lodging
57 and meals to its guests.

58 Sec. 3. Subsection (b) of section 12-704c of the general statutes is
59 repealed and the following is substituted in lieu thereof (*Effective January*
60 *1, 2027, and applicable to taxable years commencing on or after January 1,*
61 *2027*):

62 (b) (1) The credit allowed under this section shall not exceed (A) for
63 taxable years commencing on or after January 1, 2011, but prior to
64 January 1, 2016, three hundred dollars; (B) for taxable years
65 commencing on or after January 1, 2016, but prior to January 1, 2022,
66 two hundred dollars; [and] (C) for taxable years commencing on or after
67 January 1, 2022, but prior to January 1, 2027, three hundred dollars; and
68 (D) for taxable years commencing on or after January 1, 2027, four
69 hundred dollars. In the case of any husband and wife who file a return
70 under the federal income tax for such taxable year as married
71 individuals filing a joint return, the credit allowed, in the aggregate,
72 shall not exceed such amount for each such taxable year.

73 (2) Notwithstanding the provisions of subsection (a) of this section,
74 for the taxable years commencing January 1, 2017, to January 1, 2021,
75 inclusive, the credit under this section shall be allowed only for a
76 resident of this state (A) who has attained age sixty-five before the close

77 of the applicable taxable year, or (B) who files a return under the federal
78 income tax for the applicable taxable year validly claiming one or more
79 dependents.

80 Sec. 4. (NEW) (*Effective January 1, 2027, and applicable to taxable years*
81 *commencing on or after January 1, 2027*) (a) As used in this section:

82 (1) "Activities of daily living" means basic personal everyday
83 activities, including, but not limited to, ambulating, feeding, dressing,
84 personal hygiene, continence and toileting.

85 (2) "Eligible expenditure" means (A) the improvement or alteration to
86 the family caregiver's or eligible family member's primary residence to
87 permit the eligible family member to live in the residence and to remain
88 mobile, safe and independent, (B) the family caregiver's purchase or
89 lease of equipment, including, but not limited to, durable medical
90 equipment that is necessary to assist an eligible family member in
91 carrying out one or more activities of daily living, and (C) other paid or
92 incurred expenses by the family caregiver that assist the family
93 caregiver in providing care to an eligible family member, including, but
94 not limited to expenditures related to (i) hiring a home health aide, (ii)
95 respite care, (iii) adult day care, (iv) personal care attendants, (v) health
96 care equipment, and (vi) technology. "Eligible expenditure" does not
97 include general household maintenance activities, including, but not
98 limited to, painting, plumbing, electrical repairs and exterior
99 maintenance.

100 (3) "Eligible family member" means a person who (A) requires
101 assistance with at least two activities of daily living, as certified in
102 writing by a licensed health care provider, as defined in section 19a-106a
103 of the general statutes, (B) qualifies as a dependent, spouse, parent or
104 other relation by blood or marriage to the family caregiver, and (C) lives
105 in a private residential home and not in a long-term care facility, as
106 defined in section 19a-535e of the general statutes.

107 (4) "Family caregiver" means a person who (A) provides care and

108 support for an eligible family member, (B) has a federal adjusted gross
109 income of less than fifty thousand dollars for an individual and less than
110 one hundred thousand dollars for a couple filing jointly, and (C) has
111 personally incurred uncompensated expenses directly related to the
112 care of an eligible family member.

113 (b) (1) There shall be allowed, for the taxable years commencing on
114 or after January 1, 2027, a credit against the tax imposed by chapter 229
115 of the general statutes, other than the liability imposed by section 12-707
116 of the general statutes, for eligible expenditures incurred by a family
117 caregiver for the care and support of an eligible family member.

118 (2) The amount of the credit allowed shall be fifty per cent of the
119 eligible expenditures incurred by such family caregiver in a taxable year
120 and shall not exceed two thousand dollars for any taxable year. If two
121 or more family caregivers claim the credit authorized by this section for
122 the same eligible family member, the maximum allowable credit shall
123 be allocated in equal amounts between each of the family caregivers.

124 (c) (1) The Department of Revenue Services shall administer a system
125 of tax credit vouchers within the resources, requirements and purposes
126 of this section. An eligible family member may apply to the
127 Commissioner of Revenue Services, in a form and manner prescribed by
128 the commissioner, for a tax credit voucher in an amount as provided in
129 this section. The application shall contain such information the
130 commissioner deems necessary to administer the provisions of this
131 section.

132 (2) The commissioner shall approve applications on a first-come,
133 first-served basis and shall notify an applicant in writing not later than
134 thirty days after the date of receipt of an application of the
135 commissioner's approval or rejection of the application.

136 (3) The total amount of tax credit vouchers that may be issued under
137 this section shall not exceed one million eight hundred thousand dollars
138 in any one taxable year.

139 (d) Any credit allowed under this section shall be nonrefundable.

140 Sec. 5. (NEW) (*Effective January 1, 2027*) (a) As used in this section:

141 (1) "Dwelling unit" has the same meaning as provided in section 47a-
142 1 of the general statutes;

143 (2) "Eligible renter" means an individual (A) who rented and
144 occupied one or more dwelling units in the state for the entirety of the
145 applicable taxable year as such individual's primary residence and paid
146 rent for such dwelling unit or units, (B) who was not claimed as a
147 dependent on another individual's federal income tax return for the
148 applicable taxable year, and (C) whose federal adjusted gross income
149 for the applicable taxable year does not exceed (i) fifty thousand dollars
150 for individuals who file a return under the federal income tax as an
151 unmarried individual, a married individual filing separately or a head
152 of household, or (ii) one hundred thousand dollars for individuals who
153 file a return under the federal income tax as married individuals filing
154 jointly;

155 (3) "Hotel", "lodging" and "bed and breakfast establishment" have the
156 same meanings as provided in section 12-407 of the general statutes;

157 (4) "Mobile manufactured home" has the same meaning as provided
158 in section 12-63a of the general statutes; and

159 (5) "Short-term rental" has the same meaning as provided in section
160 12-408h of the general statutes.

161 (b) Any eligible renter who is subject to the tax imposed under
162 chapter 229 of the general statutes for any taxable year commencing on
163 or after January 1, 2027, shall be allowed a credit against the tax
164 otherwise due under chapter 229 of the general statutes, other than the
165 liability imposed by section 12-707 of the general statutes, in an amount
166 equal to twenty per cent of the eligible renter's annual rent actually paid
167 by the eligible renter for the applicable taxable year, minus four per cent
168 of the eligible renter's federal adjusted gross income for the applicable

169 taxable year, provided the amount of the credit for any taxable year shall
170 not exceed (1) one thousand dollars for any eligible renter who files a
171 return under the federal income tax as an unmarried individual, a
172 married individual filing separately or a head of household, and (2) one
173 thousand dollars jointly for any two eligible renters who file a return as
174 married individuals filing jointly.

175 (c) If the amount of the credit allowed pursuant to this section exceeds
176 the taxpayer's liability for the tax imposed under chapter 229 of the
177 general statutes, the Commissioner of Revenue Services shall treat such
178 excess as an overpayment and, except as provided under section 12-739
179 or 12-742 of the general statutes, shall refund the amount of such excess,
180 without interest, to the taxpayer.

181 (d) For the purposes of this section:

182 (1) "Rent" includes (A) the amount of heat, hot water, gas, electricity,
183 furniture and parking, to the extent the landlord makes no separate
184 charge for such items, and (B) the rental of a mobile manufactured home
185 or of the leasehold site being occupied by the taxpayer's mobile
186 manufactured home, or both.

187 (2) "Rent" does not include (A) the amount of any housing or rental
188 assistance not paid by the eligible renter, (B) consideration paid for the
189 occupancy of a hotel, lodging house, bed and breakfast establishment or
190 short-term rental, unless such premises are occupied under a rental or
191 lease agreement, or (C) payment in kind by the tenant to the landlord.

192 Sec. 6. Subparagraph (B) of subdivision (20) of subsection (a) of
193 section 12-701 of the 2026 supplement to the general statutes is repealed
194 and the following is substituted in lieu thereof (*Effective January 1, 2027,*
195 *and applicable to taxable years commencing on or after January 1, 2027*):

196 (B) There shall be subtracted therefrom:

197 (i) To the extent properly includable in gross income for federal
198 income tax purposes, any income with respect to which taxation by any

199 state is prohibited by federal law;

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

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

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

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

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

224 (vii) To the extent properly includable in determining the net gain or
225 loss from the sale or other disposition of capital assets for federal income
226 tax purposes, any gain from the sale or exchange of obligations issued
227 by or on behalf of the state of Connecticut, any political subdivision
228 thereof, or public instrumentality, state or local authority, district or

229 similar public entity created under the laws of the state of Connecticut,
230 in the income year such gain was recognized;

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

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

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

260 (II) For taxable years commencing prior to January 1, 2019, for a

261 person who files a return under the federal income tax as an unmarried
262 individual whose federal adjusted gross income for such taxable year is
263 fifty thousand dollars or more, or as a married individual filing
264 separately whose federal adjusted gross income for such taxable year is
265 fifty thousand dollars or more, or for a husband and wife who file a
266 return under the federal income tax as married individuals filing jointly
267 whose federal adjusted gross income from such taxable year is sixty
268 thousand dollars or more or for a person who files a return under the
269 federal income tax as a head of household whose federal adjusted gross
270 income for such taxable year is sixty thousand dollars or more, an
271 amount equal to the difference between the amount of Social Security
272 benefits includable for federal income tax purposes and the lesser of
273 twenty-five per cent of the Social Security benefits received during the
274 taxable year, or twenty-five per cent of the excess described in Section
275 86(b)(1) of the Internal Revenue Code;

276 (III) For [the] taxable [year] years commencing on or after January 1,
277 2019, [and each taxable year thereafter] but prior to January 1, 2027, for
278 a person who files a return under the federal income tax as an unmarried
279 individual whose federal adjusted gross income for such taxable year is
280 less than seventy-five thousand dollars, or as a married individual filing
281 separately whose federal adjusted gross income for such taxable year is
282 less than seventy-five thousand dollars, or for a husband and wife who
283 file a return under the federal income tax as married individuals filing
284 jointly whose federal adjusted gross income for such taxable year is less
285 than one hundred thousand dollars or a person who files a return under
286 the federal income tax as a head of household whose federal adjusted
287 gross income for such taxable year is less than one hundred thousand
288 dollars, an amount equal to the Social Security benefits includable for
289 federal income tax purposes; [and]

290 (IV) For [the] taxable [year] years commencing on or after January 1,
291 2019, [and each taxable year thereafter] but prior to January 1, 2027, for
292 a person who files a return under the federal income tax as an unmarried
293 individual whose federal adjusted gross income for such taxable year is

294 seventy-five thousand dollars or more, or as a married individual filing
295 separately whose federal adjusted gross income for such taxable year is
296 seventy-five thousand dollars or more, or for a husband and wife who
297 file a return under the federal income tax as married individuals filing
298 jointly whose federal adjusted gross income from such taxable year is
299 one hundred thousand dollars or more or for a person who files a return
300 under the federal income tax as a head of household whose federal
301 adjusted gross income for such taxable year is one hundred thousand
302 dollars or more, an amount equal to the difference between the amount
303 of Social Security benefits includable for federal income tax purposes
304 and the lesser of twenty-five per cent of the Social Security benefits
305 received during the taxable year, or twenty-five per cent of the excess
306 described in Section 86(b)(1) of the Internal Revenue Code; and

307 (V) For the taxable year commencing on or after January 1, 2027, and
308 each taxable year thereafter, to the extent properly includable in gross
309 income for federal income tax purposes, the amount of the Social
310 Security benefits received during the taxable year;

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

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

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

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

328 (xv) To the extent properly includable in the gross income for federal
329 income tax purposes of a designated beneficiary, as defined in section
330 3-123aa, interest, dividends or capital gains earned on contributions to
331 accounts established for the designated beneficiary pursuant to the
332 Connecticut Homecare Option Program for the Elderly established by
333 sections 3-123aa to 3-123ff, inclusive;

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

340 (xvii) To the extent properly includable in gross income for federal
341 income tax purposes for the taxable year, any income from the discharge
342 of indebtedness in connection with any reacquisition, after December
343 31, 2008, and before January 1, 2011, of an applicable debt instrument or
344 instruments, as those terms are defined in Section 108 of the Internal
345 Revenue Code, as amended by Section 1231 of the American Recovery
346 and Reinvestment Act of 2009, to the extent any such income was added
347 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
348 this subdivision in computing Connecticut adjusted gross income for a
349 preceding taxable year;

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

354 (xix) To the extent properly includable in gross income for federal
355 income tax purposes, (I) for the taxable year commencing January 1,

356 2015, ten per cent of the income received from the state teachers'
357 retirement system, (II) for the taxable years commencing January 1,
358 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
359 received from the state teachers' retirement system, and (III) for the
360 taxable year commencing January 1, 2021, and each taxable year
361 thereafter, fifty per cent of the income received from the state teachers'
362 retirement system or, for a taxpayer whose federal adjusted gross
363 income does not exceed the applicable threshold under clause (xx) of
364 this subparagraph, the percentage pursuant to said clause of the income
365 received from the state teachers' retirement system, whichever
366 deduction is greater;

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

387 (xxi) To the extent properly includable in gross income for federal
388 income tax purposes, except for retirement benefits under clause (iv) of

389 this subparagraph and retirement pay under clause (xvi) of this
390 subparagraph, any pension or annuity income for the taxable year
391 commencing on or after January 1, 2024, and each taxable year
392 thereafter, in accordance with the following schedule, for a person who
393 files a return under the federal income tax as an unmarried individual
394 whose federal adjusted gross income for such taxable year is less than
395 one hundred thousand dollars, or as a married individual filing
396 separately whose federal adjusted gross income for such taxable year is
397 less than one hundred thousand dollars, or as a head of household
398 whose federal adjusted gross income for such taxable year is less than
399 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%

400 (xxii) To the extent properly includable in gross income for federal
401 income tax purposes, except for retirement benefits under clause (iv) of
402 this subparagraph and retirement pay under clause (xvi) of this
403 subparagraph, any pension or annuity income for the taxable year
404 commencing on or after January 1, 2024, and each taxable year
405 thereafter, in accordance with the following schedule for married
406 individuals who file a return under the federal income tax as married
407 individuals filing jointly whose federal adjusted gross income for such
408 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%
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%

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

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

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

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

429 taxable years;

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

444 (xxviii) To the extent properly includable in gross income for federal
445 income tax purposes, for a person who files a return under the federal
446 income tax as an unmarried individual whose federal adjusted gross
447 income for such taxable year is less than one hundred thousand dollars,
448 or as a married individual filing separately whose federal adjusted gross
449 income for such taxable year is less than one hundred thousand dollars,
450 or as a head of household whose federal adjusted gross income for such
451 taxable year is less than one hundred thousand dollars, (I) for the taxable
452 year commencing January 1, 2024, fifty per cent of any distribution from
453 an individual retirement account other than a Roth individual
454 retirement account, (II) for the taxable year commencing January 1, 2025,
455 seventy-five per cent of any distribution from an individual retirement
456 account other than a Roth individual retirement account, and (III) for
457 the taxable year commencing January 1, 2026, and each taxable year
458 thereafter, any distribution from an individual retirement account other
459 than a Roth individual retirement account. The subtraction under this
460 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%
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%

461 (xxix) To the extent properly includable in gross income for federal
462 income tax purposes, for married individuals who file a return under
463 the federal income tax as married individuals filing jointly whose
464 federal adjusted gross income for such taxable year is less than one
465 hundred fifty thousand dollars, (I) for the taxable year commencing
466 January 1, 2024, fifty per cent of any distribution from an individual
467 retirement account other than a Roth individual retirement account, (II)
468 for the taxable year commencing January 1, 2025, seventy-five per cent
469 of any distribution from an individual retirement account other than a
470 Roth individual retirement account, and (III) for the taxable year
471 commencing January 1, 2026, and each taxable year thereafter, any
472 distribution from an individual retirement account other than a Roth
473 individual retirement account. The subtraction under this clause shall
474 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%

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

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

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

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

501 (xxxiv) Contributions to an ABLE account established pursuant to

502 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for
503 each individual taxpayer or ten thousand dollars for taxpayers filing a
504 joint return;

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

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

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

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

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

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

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

561 Sec. 7. Section 12-407e of the general statutes is repealed. (*Effective July*
562 *1, 2026*)

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2026, and applicable to sales occurring on or after July 1, 2026</i>	12-412(128) to (130)
Sec. 2	<i>October 1, 2026, and applicable to sales occurring on or after October 1, 2026</i>	12-412(13)
Sec. 3	<i>January 1, 2027, and applicable to taxable years commencing on or after January 1, 2027</i>	12-704c(b)
Sec. 4	<i>January 1, 2027, and applicable to taxable years commencing on or after January 1, 2027</i>	New section
Sec. 5	<i>January 1, 2027</i>	New section
Sec. 6	<i>January 1, 2027, and applicable to taxable years commencing on or after January 1, 2027</i>	12-701(a)(20)(B)
Sec. 7	<i>July 1, 2026</i>	Repealer section

Statement of Purpose:

To (1) exempt from the sales and use taxes sales of (A) certain clothing costing under one hundred dollars, school supplies and household appliances, and (B) sandwiches, grinders, coffee and tea prepared and sold by grocery stores, (2) increase the maximum allowable credit against the personal income tax for a person's primary residence or motor vehicle, (3) establish a credit against the personal income tax (A) for expenditures paid or incurred by certain taxpayers for the care and support of eligible family members, and (B) for a portion of rent actually paid by certain taxpayers for such taxpayer's primary residence in the state, and (4) allow all taxpayers, regardless of income, to deduct the full amount of Social Security benefits that are includable in gross income for federal income tax purposes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. LOONEY, 11th Dist.; SEN. DUFF, 25th Dist.
SEN. ANWAR, 3rd Dist.; SEN. CABRERA, 17th Dist.
SEN. COHEN, 12th Dist.; SEN. FLEXER, 29th Dist.
SEN. FONFARA, 1st Dist.; SEN. GADKAR-WILCOX, 22nd Dist.
SEN. GASTON, 23rd Dist.; SEN. HARTLEY, 15th Dist.
SEN. HOCHADEL, 13th Dist.; SEN. HONIG, 8th Dist.
SEN. KUSHNER, 24th Dist.; SEN. LESSER, 9th Dist.
SEN. LOPES, 6th Dist.; SEN. MAHER, 26th Dist.
SEN. MARONEY, 14th Dist.; SEN. MARX, 20th Dist.
SEN. MCCRORY, 2nd Dist.; SEN. MILLER P., 27th Dist.
SEN. NEEDLEMAN, 33rd Dist.; SEN. OSTEN, 19th Dist.
SEN. RAHMAN, 4th Dist.; SEN. SLAP, 5th Dist.
REP. GAUTHIER, 38th Dist.

S.B. 1