



General Assembly

February Session, 2026

Raised Bill No. 443

LCO No. 2678



Referred to Committee on LABOR AND PUBLIC
EMPLOYEES

Introduced by:
(LAB)

**AN ACT CONCERNING THE PROVISION OF SURVIVOR'S BENEFITS
AND HEALTH INSURANCE COVERAGE TO FAMILY MEMBERS OF
CORRECTION OFFICERS, COURT SUPPORT SERVICES DIVISION
INVESTIGATORS, CRIMINAL JUSTICE DIVISION INVESTIGATORS
AND OFFICE OF THE CHIEF PUBLIC DEFENDER INVESTIGATORS
KILLED IN THE LINE OF DUTY.**

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

- 1 Section 1. (NEW) (*Effective July 1, 2026*) (a) As used in this section:
- 2 (1) "Dependent child" means a child, whether by blood or adoption,
3 of a correction officer or investigator, who (A) is under the age of
4 twenty-two and was dependent on the earnings of such officer or
5 investigator at the time of such officer's or investigator's death, provided
6 a child shall not be considered dependent if such child provides more
7 than half of such child's own support, is married or is legally adopted
8 by another person, or (B) is any age and is physically or mentally
9 incapacitated and was dependent on the earnings of such officer or
10 investigator at the time of such officer's or investigator's death.
- 11 (2) "Killed in the line of duty" means the death of a correction officer

12 or investigator while engaged in the performance of such officer's or
13 investigator's duties, resulting from an incident, an accident or violence
14 that caused such death or caused injuries that were the direct or
15 proximate cause of such officer's or investigator's death, including any
16 death that is determined to be occupationally related by a workers'
17 compensation insurance carrier, an employer to whom a certificate of
18 self-insurance has been issued pursuant to section 31-248 of the general
19 statutes or an administrative law judge for workers' compensation
20 purposes under chapter 568 of the general statutes. "Killed in the line of
21 duty" does not include the death of an officer or investigator whose
22 death results from such officer's or investigator's own wanton or wilful
23 act.

24 (3) "Correction officer" means an individual employed by the
25 Department of Correction as a correction officer.

26 (4) "Investigator" means an individual employed as an investigator
27 by (A) the Court Support Services Division of the Judicial Department,
28 (B) the Division of Criminal Justice, or (C) the Office of the Chief Public
29 Defender.

30 (5) "Surviving family member" means any person who is a surviving
31 spouse, surviving dependent child, surviving child who is not a
32 dependent child or surviving parent of a correction officer or an
33 investigator killed in the line of duty, or a surviving individual listed on
34 such officer's or investigator's most recent beneficiary form on file with
35 such officer's or investigator's employing state agency.

36 (b) There is established a fund to be known as the "Fallen Officer and
37 Investigator Fund". The fund may contain any moneys required by law
38 to be deposited in the fund and shall be held by the Treasurer separate
39 and apart from all other moneys, funds and accounts. The interest
40 derived from the investment of the fund shall be credited to the fund.
41 Amounts in the fund may be expended by the Comptroller for purposes
42 of payments pursuant to subsection (c) of this section. Any balance
43 remaining in the fund at the end of any fiscal year shall be carried

44 forward in the fund for the fiscal year next succeeding.

45 (c) (1) After receiving notice, in a form and manner as determined by
46 the Comptroller, from an individual who is a member of the surviving
47 family or an investigator who was killed in the line of duty, the
48 Comptroller shall pay, within available appropriations, a lump sum
49 death benefit totaling one hundred thousand dollars from the fund
50 established in subsection (b) of this section to such surviving family,
51 provided the surviving family of a correction officer or an investigator
52 killed in the line of duty shall not receive more than one such lump sum
53 death benefit. Payments shall be made to surviving families in the order
54 in which notices are received until the amount in such fund is depleted.

55 (2) Any payment made pursuant to subdivision (1) of this subsection
56 shall be in addition to any other benefits for which individuals of such
57 officer's or investigator's surviving family are eligible and such
58 payments shall not be reduced or offset due to any other benefits,
59 including, but not limited to, workers' compensation or other survivor
60 benefits.

61 (d) Not later than July 1, 2026, and annually thereafter, the
62 Comptroller shall submit a report, in accordance with the provisions of
63 section 11-4a of the general statutes, to the joint standing committees of
64 the General Assembly having cognizance of matters relating to labor
65 and public employees and the judiciary. Such report shall include a list
66 of all expenditures made from the fund established by subsection (b) of
67 this section during the prior year, the current balance of such fund and
68 information regarding additional amounts needed for such fund.

69 (e) The Comptroller shall adopt regulations in accordance with the
70 provisions of chapter 54 of the general statutes to implement the
71 provisions of this section, including, but not limited to, application
72 procedures and criteria for making payments among individuals who
73 are members of the surviving family, with priority given to awards that
74 would benefit a dependent child or children and a spouse who is a
75 member of the surviving family. The Comptroller may implement

76 policies and procedures necessary to implement the provisions of this
77 section while in the process of adopting such regulations, provided
78 notice of intent to adopt such regulations is published on the
79 eRegulations System not later than twenty days after the date of
80 implementation of such policies and procedures. Any policies and
81 procedures implemented under this subsection shall be valid until the
82 time such regulations are adopted.

83 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
84 section 12-701 of the 2026 supplement to the general statutes is repealed
85 and the following is substituted in lieu thereof (*Effective July 1, 2026*):

86 (B) There shall be subtracted therefrom:

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

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

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

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

102 (v) To the extent any additional allowance for depreciation under
103 Section 168(k) of the Internal Revenue Code for property placed in
104 service after September 27, 2017, was added to federal adjusted gross
105 income pursuant to subparagraph (A)(ix) of this subdivision in

106 computing Connecticut adjusted gross income, twenty-five per cent of
107 such additional allowance for depreciation in each of the four
108 succeeding taxable years;

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

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

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

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

137 (x) (I) For taxable years commencing prior to January 1, 2019, for a

138 person who files a return under the federal income tax as an unmarried
139 individual whose federal adjusted gross income for such taxable year is
140 less than fifty thousand dollars, or as a married individual filing
141 separately whose federal adjusted gross income for such taxable year is
142 less than fifty thousand dollars, or for a husband and wife who file a
143 return under the federal income tax as married individuals filing jointly
144 whose federal adjusted gross income for such taxable year is less than
145 sixty thousand dollars or a person who files a return under the federal
146 income tax as a head of household whose federal adjusted gross income
147 for such taxable year is less than sixty thousand dollars, an amount
148 equal to the Social Security benefits includable for federal income tax
149 purposes;

150 (II) For taxable years commencing prior to January 1, 2019, for a
151 person who files a return under the federal income tax as an unmarried
152 individual whose federal adjusted gross income for such taxable year is
153 fifty thousand dollars or more, or as a married individual filing
154 separately whose federal adjusted gross income for such taxable year is
155 fifty thousand dollars or more, or for a husband and wife who file a
156 return under the federal income tax as married individuals filing jointly
157 whose federal adjusted gross income from such taxable year is sixty
158 thousand dollars or more or for a person who files a return under the
159 federal income tax as a head of household whose federal adjusted gross
160 income for such taxable year is sixty thousand dollars or more, an
161 amount equal to the difference between the amount of Social Security
162 benefits includable for federal income tax purposes and the lesser of
163 twenty-five per cent of the Social Security benefits received during the
164 taxable year, or twenty-five per cent of the excess described in Section
165 86(b)(1) of the Internal Revenue Code;

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

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

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

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

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

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

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

213 (xv) To the extent properly includable in the gross income for federal
214 income tax purposes of a designated beneficiary, as defined in section
215 3-123aa, interest, dividends or capital gains earned on contributions to
216 accounts established for the designated beneficiary pursuant to the
217 Connecticut Homecare Option Program for the Elderly established by
218 sections 3-123aa to 3-123ff, inclusive;

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

225 (xvii) To the extent properly includable in gross income for federal
226 income tax purposes for the taxable year, any income from the discharge
227 of indebtedness in connection with any reacquisition, after December
228 31, 2008, and before January 1, 2011, of an applicable debt instrument or
229 instruments, as those terms are defined in Section 108 of the Internal
230 Revenue Code, as amended by Section 1231 of the American Recovery
231 and Reinvestment Act of 2009, to the extent any such income was added
232 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
233 this subdivision in computing Connecticut adjusted gross income for a
234 preceding taxable year;

235 (xviii) To the extent not deductible in determining federal adjusted
236 gross income, the amount of any contribution to a manufacturing

237 reinvestment account established pursuant to section 32-9zz in the
238 taxable year that such contribution is made;

239 (xix) To the extent properly includable in gross income for federal
240 income tax purposes, (I) for the taxable year commencing January 1,
241 2015, ten per cent of the income received from the state teachers'
242 retirement system, (II) for the taxable years commencing January 1,
243 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
244 received from the state teachers' retirement system, and (III) for the
245 taxable year commencing January 1, 2021, and each taxable year
246 thereafter, fifty per cent of the income received from the state teachers'
247 retirement system or, for a taxpayer whose federal adjusted gross
248 income does not exceed the applicable threshold under clause (xx) of
249 this subparagraph, the percentage pursuant to said clause of the income
250 received from the state teachers' retirement system, whichever
251 deduction is greater;

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

271 pension or annuity income;

272 (xxi) To the extent properly includable in gross income for federal
273 income tax purposes, except for retirement benefits under clause (iv) of
274 this subparagraph and retirement pay under clause (xvi) of this
275 subparagraph, any pension or annuity income for the taxable year
276 commencing on or after January 1, 2024, and each taxable year
277 thereafter, in accordance with the following schedule, for a person who
278 files a return under the federal income tax as an unmarried individual
279 whose federal adjusted gross income for such taxable year is less than
280 one hundred thousand dollars, or as a married individual filing
281 separately whose federal adjusted gross income for such taxable year is
282 less than one hundred thousand dollars, or as a head of household
283 whose federal adjusted gross income for such taxable year is less than
284 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%

285 (xxii) To the extent properly includable in gross income for federal
286 income tax purposes, except for retirement benefits under clause (iv) of
287 this subparagraph and retirement pay under clause (xvi) of this
288 subparagraph, any pension or annuity income for the taxable year
289 commencing on or after January 1, 2024, and each taxable year
290 thereafter, in accordance with the following schedule for married
291 individuals who file a return under the federal income tax as married

292 individuals filing jointly whose federal adjusted gross income for such
293 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%

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

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

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

309 (xxvi) To the extent any portion of a deduction under Section 179 of
310 the Internal Revenue Code was added to federal adjusted gross income
311 pursuant to subparagraph (A)(xiv) of this subdivision in computing

312 Connecticut adjusted gross income, twenty-five per cent of such
313 disallowed portion of the deduction in each of the four succeeding
314 taxable years;

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

329 (xxviii) To the extent properly includable in gross income for federal
330 income tax purposes, for a person who files a return under the federal
331 income tax as an unmarried individual whose federal adjusted gross
332 income for such taxable year is less than one hundred thousand dollars,
333 or as a married individual filing separately whose federal adjusted gross
334 income for such taxable year is less than one hundred thousand dollars,
335 or as a head of household whose federal adjusted gross income for such
336 taxable year is less than one hundred thousand dollars, (I) for the taxable
337 year commencing January 1, 2024, fifty per cent of any distribution from
338 an individual retirement account other than a Roth individual
339 retirement account, (II) for the taxable year commencing January 1, 2025,
340 seventy-five per cent of any distribution from an individual retirement
341 account other than a Roth individual retirement account, and (III) for
342 the taxable year commencing January 1, 2026, and each taxable year
343 thereafter, any distribution from an individual retirement account other
344 than a Roth individual retirement account. The subtraction under this
345 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%

346 (xxix) To the extent properly includable in gross income for federal
347 income tax purposes, for married individuals who file a return under
348 the federal income tax as married individuals filing jointly whose
349 federal adjusted gross income for such taxable year is less than one
350 hundred fifty thousand dollars, (I) for the taxable year commencing
351 January 1, 2024, fifty per cent of any distribution from an individual
352 retirement account other than a Roth individual retirement account, (II)
353 for the taxable year commencing January 1, 2025, seventy-five per cent
354 of any distribution from an individual retirement account other than a
355 Roth individual retirement account, and (III) for the taxable year
356 commencing January 1, 2026, and each taxable year thereafter, any
357 distribution from an individual retirement account other than a Roth
358 individual retirement account. The subtraction under this clause shall
359 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%

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

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

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

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

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

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

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

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

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

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

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

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

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

446 (xxxviii) To the extent properly excludable in gross income for federal
447 income tax purposes, the amount of any payment received pursuant to
448 subsection (c) of section 1 of this act.

449 Sec. 3. Subsection (a) of section 5-259 of the 2026 supplement to the
450 general statutes is repealed and the following is substituted in lieu

451 thereof (*Effective July 1, 2026*):

452 (a) The Comptroller, with the approval of the Attorney General and
453 of the Insurance Commissioner, shall arrange and procure a group
454 hospitalization and medical and surgical insurance plan or plans for (1)
455 state employees, (2) members of the General Assembly who elect
456 coverage under such plan or plans, (3) participants in an alternate
457 retirement program who meet the service requirements of section 5-162
458 or subsection (a) of section 5-166, (4) anyone receiving benefits under
459 section 5-144 or from any state-sponsored retirement system, except the
460 teachers' retirement system and the municipal employees retirement
461 system, (5) judges of probate and Probate Court employees, (6) the
462 surviving spouse, and any dependent children of a state police officer, a
463 member of an organized local police department, a firefighter or a
464 constable who performs criminal law enforcement duties who dies
465 before, on or after June 26, 2003, as the result of injuries received while
466 acting within the scope of such officer's or firefighter's or constable's
467 employment and not as the result of illness or natural causes, and whose
468 surviving spouse and dependent children are not otherwise eligible for
469 a group hospitalization and medical and surgical insurance plan.
470 Coverage for a dependent child pursuant to this subdivision shall
471 terminate no earlier than the end of the calendar year during whichever
472 of the following occurs first, the date on which the child: Becomes
473 covered under a group health plan through the dependent's own
474 employment; or attains the age of twenty-six, (7) employees of the
475 Capital Region Development Authority established by section 32-601,
476 (8) the surviving spouse and dependent children of any employee of a
477 municipality who dies on or after October 1, 2000, as the result of
478 injuries received while acting within the scope of such employee's
479 employment and not as the result of illness or natural causes, and whose
480 surviving spouse and dependent children are not otherwise eligible for
481 a group hospitalization and medical and surgical insurance plan, [and]
482 (9) state marshals, and (10) the surviving spouse and dependent
483 children of any correction officer or investigator who is killed in the line
484 of duty on or after July 1, 2026, and whose surviving spouse and

485 dependent children are not otherwise eligible for a group
486 hospitalization and medical and surgical insurance plan. For purposes
487 of this subdivision, "correction officer", "investigator" and "killed in the
488 line of duty" have the same meanings as provided in section 1 of this act.
489 For purposes of subdivision (8) of this subsection, "employee" means
490 any regular employee or elective officer receiving pay from a
491 municipality, "municipality" means any town, city, borough, school
492 district, taxing district, fire district, district department of health,
493 probate district, housing authority, regional workforce development
494 board established under section 31-3k, flood commission or authority
495 established by special act or regional council of governments. For
496 purposes of subdivision (6) of this subsection, "firefighter" means any
497 person who is regularly employed and paid by any municipality for the
498 purpose of performing firefighting duties for a municipality on average
499 of not less than thirty-five hours per week. The minimum benefits to be
500 provided by such plan or plans shall be substantially equal in value to
501 the benefits that each such employee or member of the General
502 Assembly could secure in such plan or plans on an individual basis on
503 the preceding first day of July. The state shall pay for each such
504 employee and each member of the General Assembly covered by such
505 plan or plans the portion of the premium charged for such member's or
506 employee's individual coverage and seventy per cent of the additional
507 cost of the form of coverage and such amount shall be credited to the
508 total premiums owed by such employee or member of the General
509 Assembly for the form of such member's or employee's coverage under
510 such plan or plans. On and after January 1, 1989, the state shall pay for
511 anyone receiving benefits from any such state-sponsored retirement
512 system one hundred per cent of the portion of the premium charged for
513 such member's or employee's individual coverage and one hundred per
514 cent of any additional cost for the form of coverage. The balance of any
515 premiums payable by an individual employee or by a member of the
516 General Assembly for the form of coverage shall be deducted from the
517 payroll by the State Comptroller. The total premiums payable shall be
518 remitted by the Comptroller to the insurance company or companies or
519 nonprofit organization or organizations providing the coverage. The

520 amount of the state's contribution per employee for a health
521 maintenance organization option shall be equal, in terms of dollars and
522 cents, to the largest amount of the contribution per employee paid for
523 any other option that is available to all eligible state employees included
524 in the health benefits plan, but shall not be required to exceed the
525 amount of the health maintenance organization premium.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	New section
Sec. 2	<i>July 1, 2026</i>	12-701(a)(20)(B)
Sec. 3	<i>July 1, 2026</i>	5-259(a)

LAB *Joint Favorable*