



General Assembly

Amendment

February Session, 2026

LCO No. 5584



Offered by:

SEN. LOONEY, 11 th Dist.	SEN. LOPES, 6 th Dist.
SEN. DUFF, 25 th Dist.	SEN. MAHER, 26 th Dist.
SEN. ANWAR, 3 rd Dist.	SEN. MARONEY, 14 th Dist.
SEN. CABRERA, 17 th Dist.	SEN. MARX, 20 th Dist.
SEN. COHEN, 12 th Dist.	SEN. MCCRORY, 2 nd Dist.
SEN. FLEXER, 29 th Dist.	SEN. MILLER P., 27 th Dist.
SEN. FONFARA, 1 st Dist.	SEN. NEEDLEMAN, 33 rd Dist.
SEN. GADKAR-WILCOX, 22 nd Dist.	SEN. OSTEN, 19 th Dist.
SEN. GASTON, 23 rd Dist.	SEN. RAHMAN, 4 th Dist.
SEN. HARTLEY, 15 th Dist.	SEN. SLAP, 5 th Dist.
SEN. HOCHADEL, 13 th Dist.	SEN. WINFIELD, 10 th Dist.
SEN. HONIG, 8 th Dist.	REP. BERGER-GIRVALO, 111 th Dist.
SEN. KUSHNER, 24 th Dist.	SEN. HWANG, 28 th Dist.
SEN. LESSER, 9 th Dist.	

To: Subst. Senate Bill No. 9

File No. 449

Cal. No. 261

(As Amended)

"AN ACT SUPPORTING COMMUTERS AND MICROTRANSIT SERVICES."

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- 1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:
- 3 "Section 1. (NEW) (*Effective January 1, 2027, and applicable to income*

4 years commencing on or after January 1, 2027) (a) As used in this section:

5 (1) "Eligible employer" means any entity licensed to operate a
6 business in the state that is subject to the tax imposed under chapter 207,
7 208 or 228z of the general statutes, employs at least five employees in
8 the state and provides a qualified commuter transportation benefit to
9 one or more participating employees. For the purposes of this
10 subdivision, the number of employees shall be the average number of
11 employees employed during the preceding twelve months;

12 (2) "Qualified commuter transportation benefit" means any benefit
13 provided by an eligible employer to an employee for the purpose of
14 commuting between the employee's residence and place of
15 employment, including (A) participation in the CTpass program
16 established pursuant to section 13b-38ee of the general statutes, and (B)
17 any other transportation benefit that qualifies as a qualified
18 transportation fringe under 26 USC 132(f), as amended from time to
19 time. "Qualified commuter transportation benefit" does not include
20 reimbursement for fuel or mileage for the use of a single occupancy
21 vehicle to commute between the employee's residence and place of
22 employment;

23 (3) "Qualified commuter benefit expenditures" means amounts paid
24 or incurred by an eligible employer during the income year to provide
25 a qualified commuter transportation benefit to participating employees
26 pursuant to an approved commuter benefit plan;

27 (4) "Approved commuter benefit plan" means a written proposal
28 submitted by an eligible employer and approved by the Commissioner
29 of Transportation; and

30 (5) "Participating employee" means an employee who works at least
31 twenty hours per week in the state and receives a qualified commuter
32 transportation benefit.

33 (b) For income years commencing on or after January 1, 2027, and for
34 the first five income years in which an eligible employer provides a

35 qualified commuter transportation benefit pursuant to an approved
36 commuter benefit plan, such eligible employer shall be allowed a credit
37 against the tax imposed under chapter 207, 208 or 228z of the general
38 statutes. The amount of such credit shall be equal to: (1) Twenty-five per
39 cent of the qualified commuter benefit expenditures made in the first
40 income year in which such expenditures are made, (2) twenty per cent
41 of the qualified commuter benefit expenditures made in the second
42 income year in which such expenditures are made, (3) fifteen per cent of
43 the qualified commuter benefit expenditures made in the third income
44 year in which such expenditures are made, (4) ten per cent of the
45 qualified commuter benefit expenditures made in the fourth income
46 year in which such expenditures are made, and (5) five per cent of the
47 qualified commuter benefit expenditures made in the fifth income year
48 in which such expenditures are made.

49 (c) An eligible employer seeking to claim the credit under the
50 provisions of this section shall submit an application to the
51 Commissioner of Transportation, in such form and manner prescribed
52 by the commissioner. Such application shall describe the eligible
53 employer's proposed commuter benefit plan and include (1) the type of
54 qualified commuter transportation benefits to be established or
55 expanded, (2) the projected qualified commuter benefit expenditures to
56 be made over the five-year period, (3) the number of participating
57 employees expected to be covered, and (4) any additional information
58 as the commissioner may require. Upon approval of an application and
59 commuter benefit plan, the commissioner shall determine and reserve
60 the amount of the credit the eligible employer will be entitled to claim
61 over the five-year period.

62 (d) On an annual basis, an eligible employer shall submit
63 documentation to the Commissioner of Transportation demonstrating
64 actual qualified commuter transportation benefit expenditures made
65 pursuant to the approved commuter benefit plan. Upon verification of
66 such expenditures, the commissioner shall issue a voucher to the
67 employer in the amount of the applicable credit percentage under the

68 provisions of subsection (b) of this section.

69 (e) If an eligible employer notifies the commissioner that such
70 employer is discontinuing its approved commuter benefit plan or fails
71 to submit required annual documentation within a reasonable time
72 period established by the commissioner, the commissioner shall issue a
73 written notice of noncompliance to such employer. If the employer does
74 not address such noncompliance not later than ninety days after such
75 notice, the commissioner shall revoke approval of the commuter benefit
76 plan and any reserved credit associated with such employer.

77 (f) Any credit not used in the income year for which it was allowed
78 may be carried forward and credited against the taxes imposed for the
79 three immediately succeeding income years or until the full credit has
80 been allowed, whichever occurs first.

81 (g) Any credit allowed pursuant to this section may be sold, assigned
82 or otherwise transferred, in whole or in part, to one or more taxpayers
83 subject to chapter 208 of the general statutes, and such taxpayers may
84 sell, assign or otherwise transfer, in whole or in part, such credit.

85 (h) The Commissioners of Transportation and Revenue Services may
86 examine any books, papers or records relating to an approved
87 commuter benefit plan or any credit claimed under the provisions of
88 this section for purposes of verifying compliance and accuracy.

89 (i) The total amount of all tax credits which may be reserved by the
90 Commissioner of Transportation pursuant to this section shall not
91 exceed seven million five hundred thousand dollars.

92 Sec. 2. (*Effective from passage*) The Commissioner of Transportation
93 shall, in consultation with chambers of commerce, community-based
94 organizations and business advocacy organizations, develop and
95 implement a public awareness campaign to inform employers of the tax
96 credit allowed under section 1 of this act.

97 Sec. 3. (*Effective October 1, 2026*) Not later than January 1, 2027, the

98 Commissioner of Transportation shall submit a report, in accordance
99 with the provisions of section 11-4a of the general statutes, to the joint
100 standing committee of the General Assembly having cognizance of
101 matters relating to transportation, detailing (1) the status of sites
102 identified as opportunities for transit-oriented development, as defined
103 in section 13b-79o of the general statutes, (2) the timelines associated
104 with any request for proposals regarding transit-oriented development,
105 including reviewing and evaluating the responses to any such request
106 for proposals, and (3) an estimate of the number of housing units
107 associated with such opportunities for transit-oriented development.

108 Sec. 4. Section 23 of public act 22-40 is repealed and the following is
109 substituted in lieu thereof (*Effective July 1, 2026*):

110 (a) As used in this section, "microtransit" means transportation by a
111 multipassenger vehicle that uses a digital network or software
112 application service to offer fixed or dynamically allocated routes and
113 schedules in response to individual or aggregate consumer demand.

114 (b) The Commissioner of Transportation shall establish a [two-year]
115 three-year pilot program to test microtransit services in the state,
116 including rural areas not currently served by public transportation. The
117 commissioner may enter into agreements with third parties to provide
118 such services.

119 (c) Not later than January 1, [2025] 2028, the commissioner shall
120 submit a report on the implementation of the pilot program and any
121 recommendations concerning the future deployment of microtransit
122 services in the state, to the joint standing committee of the General
123 Assembly having cognizance of matters relating to transportation, in
124 accordance with the provisions of section 11-4a of the general statutes.

125 Sec. 5. (*Effective from passage*) (a) The sum of \$4,000,000 of the amount
126 appropriated in section 2 of public act 25-168 to the Department of
127 Transportation, for Rail Operations, for the fiscal year ending June 30,
128 2027, shall be made available in said fiscal year for the Shore Line East

129 rail line.

130 (b) The sum of \$3,000,000 of the amount appropriated in section 2 of
131 public act 25-168 to the Department of Transportation, for Rail
132 Operations, for the fiscal year ending June 30, 2027, shall be expended
133 in said fiscal year for the purpose of increasing service on the Shore Line
134 East rail line.

135 Sec. 6. Section 13b-38h of the general statutes is repealed and the
136 following is substituted in lieu thereof (*Effective October 1, 2026*):

137 (a) The Department of Transportation shall provide for changes in
138 fares for mass transportation by land in accordance with the provisions
139 of this section and shall not be required to conform to the procedures in
140 chapter 54.

141 (b) Prior to adopting any [change] increase in fares for mass
142 transportation by land, the department shall (1) give notice of the
143 proposed fare [change] increase, its amount and the date and time it is
144 proposed to take effect by advertising, at least once, in one or more
145 newspapers having [general] circulation in all areas [of the state] that
146 [may] would be affected by such [change in fares] proposed fare
147 increase, and (2) in such notice, provide information on the date, time
148 and place a public hearing is to be held on such proposed [change] fare
149 increase. Such notice shall be provided at least fifteen days prior to such
150 public hearing. The department shall, at least fifteen days prior to such
151 public hearing, send a copy of such notice to the chairpersons and
152 ranking members of the joint standing committees of the General
153 Assembly having cognizance of matters relating to transportation and
154 finance and to the Connecticut Public Transportation Council,
155 established under section 13b-212b. A public hearing on the proposed
156 fare [change] increase shall be held at such date, time and place as will
157 be convenient for public attendance.

158 (c) When the department is required to hold a public hearing
159 regarding a proposed major service change to commuter rail service in

160 accordance with the Federal Transit Administration Title VI Circular
161 4702.1B, as amended from time to time, the department shall, at least
162 fifteen days prior to such public hearing, provide notice of such public
163 hearing to the chairpersons and ranking members of the joint standing
164 committees of the General Assembly having cognizance of matters
165 relating to transportation and finance and to the Connecticut Public
166 Transportation Council.

167 Sec. 7. (NEW) (*Effective July 1, 2026*) (a) The Department of Education
168 shall administer a grant program to provide grants to local and regional
169 boards of education for the purchase of passes for the use of state-owned
170 or state-controlled bus public transportation services and distribution of
171 such passes, without cost, to students who are enrolled in grades nine
172 to twelve, inclusive, of a public school under the jurisdiction of such
173 local or regional board of education. Applications for grants shall be
174 filed with the department at such time and in such manner as the
175 department prescribes. The department may develop guidelines and
176 grant criteria as it deems necessary to administer such grant program.

177 (b) Each local or regional board of education receiving a grant award
178 under this section shall submit, at such time and in such form as the
179 department prescribes, any reports and financial statements required by
180 the department. If the department finds that any grant awarded
181 pursuant to this section is being used for purposes that are not in
182 conformity with the purposes of this section, the department may
183 require the repayment of the grant to the state.

184 (c) Not later than July 1, 2027, and annually thereafter, the
185 Department of Education shall submit a report, in accordance with the
186 provisions of section 11-4a of the general statutes, to the joint standing
187 committees of the General Assembly having cognizance of matters
188 relating to education and transportation. Such report shall include, but
189 need not be limited to, the amount of grants awarded during the prior
190 year and an assessment of the impact of the grant program on student
191 outcomes.

192 Sec. 8. (NEW) (*Effective July 1, 2026*) (a) For the purposes of this
193 section, "veteran" and "armed forces" have the same meanings as
194 provided in section 27-103 of the general statutes.

195 (b) The Department of Veterans Affairs shall purchase passes for the
196 use of state-owned or state-controlled bus public transportation services
197 and distribute such passes, without cost, to veterans in the state.
198 Applications for such passes shall be filed with the department at such
199 time and in such manner as the department prescribes. The department
200 may develop guidelines and criteria as it deems necessary to distribute
201 such passes.

202 (c) Not later than July 1, 2027, and annually thereafter, the
203 Department of Veterans Affairs shall submit a report, in accordance
204 with the provisions of section 11-4a of the general statutes, to the joint
205 standing committees of the General Assembly having cognizance of
206 matters relating to veterans' affairs and transportation. Such report shall
207 include, but need not be limited to, the amount of passes purchased and
208 distributed during the prior year and an assessment of the impact of the
209 distribution of such passes to veterans.

210 Sec. 9. Subsection (d) of section 4-186 of the 2026 supplement to the
211 general statutes is repealed and the following is substituted in lieu
212 thereof (*Effective October 1, 2026*):

213 (d) The provisions of this chapter shall not apply: (1) To procedures
214 followed or actions taken concerning the lower Connecticut River
215 conservation zone described in chapter 477a and the upper Connecticut
216 River conservation zone described in chapter 477c, (2) to the
217 administrative determinations authorized by section 32-9r concerning
218 manufacturing facilities in distressed municipalities, (3) to the rules
219 made pursuant to section 9-436 for use of paper ballots, [and] (4) to
220 guidelines established under section 22a-227 for development of a
221 municipal solid waste management plan, and (5) to changes in fares for
222 mass transportation by land made in accordance with the provisions of
223 section 13b-38h, as amended by this act.

224 Sec. 10. Sections 12-217s, 13b-38o, 13b-38p, 13b-38t, 13b-38v and 13b-
 225 38x of the general statutes are repealed. (*Effective January 1, 2027*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2027, and applicable to income years commencing on or after January 1, 2027</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>July 1, 2026</i>	PA 22-40, Sec. 23
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>October 1, 2026</i>	13b-38h
Sec. 7	<i>July 1, 2026</i>	New section
Sec. 8	<i>July 1, 2026</i>	New section
Sec. 9	<i>October 1, 2026</i>	4-186(d)
Sec. 10	<i>January 1, 2027</i>	Repealer section