



General Assembly

**Amendment**

February Session, 2026

LCO No. 5427



Offered by:  
SEN. SAMPSON, 16<sup>th</sup> Dist.

To: Subst. Senate Bill No. 478

File No. 370

Cal. No. 257

**"AN ACT CONCERNING CONSUMER SAFEGUARDS FOR LONG-TERM CARE POLICIES."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subsection (b) of section 38a-501 of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
5 *2026*):

6 (b) (1) No insurance company, fraternal benefit society, hospital  
7 service corporation, medical service corporation or health care center  
8 may deliver or issue for delivery any long-term care policy that has a  
9 loss ratio of less than sixty per cent for any individual long-term care  
10 policy. An issuer shall not use or change premium rates for a long-term  
11 care policy unless the rates have been filed with and approved by the  
12 commissioner. Any rate filings or rate revisions shall demonstrate that  
13 anticipated claims in relation to premiums when combined with actual  
14 experience to date can be expected to comply with the loss ratio  
15 requirement of this section. A rate filing shall include the factors and

16 methodology used to estimate irrevocable trust values if the policy  
17 includes an option for the elimination period specified in subdivision  
18 (1) of subsection (a) of this section.

19 (2) An issuer shall file an annual report, not later than May first, with  
20 the Insurance Commissioner on incurred losses and actual paid losses  
21 for each long-term care policy issued in the state. The Insurance  
22 Commissioner, in consultation with the Secretary of the Office of Policy  
23 and Management, shall, not later than October 1, 2027, and annually  
24 thereafter, file a report, in accordance with the provisions of section 11-  
25 4a, with the joint standing committees of the General Assembly having  
26 cognizance of matters relating to aging, human services and insurance  
27 and real estate on the incurred loss and actual paid loss for each long-  
28 term care policy in the past three calendar years. Such report shall state  
29 which policies have been precertified pursuant to section 38a-475. Data  
30 in such report shall be aggregated and deidentified. The Insurance  
31 Department shall include a link to the report on the Insurance  
32 Department's Internet web site, and the Secretary of the Office of Policy  
33 and Management shall include a link to the report on the Internet web  
34 site of the Office of Policy and Management.

35 (3) Not later than July 1, 2027, the Insurance Commissioner, in  
36 consultation with the Secretary of the Office of Policy and Management,  
37 may file a report, in accordance with the provisions of section 11-4a and  
38 within available appropriations, with the joint standing committees of  
39 the General Assembly having cognizance of matters relating to aging,  
40 human services and insurance and real estate on the feasibility and  
41 effect on access to long-term care insurance (A) of a requirement that  
42 issuers of long-term care insurance policies provide policyholders an  
43 opportunity to cancel such insurance and obtain full refunds of any  
44 premiums paid since the start of the policies whenever such issuer files  
45 for rate increases that exceed the rate of inflation; (B) the level of rate  
46 increases that can be approved by the Insurance Commissioner if any  
47 insurance company, fraternal benefit society, hospital service  
48 corporation, medical service corporation or health care center is

49 required to include, as part of any long-term care policy rate increase  
50 request, and (C) information related to the reinsurance market in the  
51 state, including any recent impacts the reinsurance market has had on  
52 the availability and cost of long-term care insurance policies and the  
53 economic impact to the state. Data in such report shall be aggregated  
54 and deidentified.

55 [(2)] (4) (A) Any insurance company, fraternal benefit society,  
56 hospital service corporation, medical service corporation or health care  
57 center that files a rate filing for an increase in premium rates for a long-  
58 term care policy that is for twenty per cent or more shall spread the  
59 increase over a period of not less than three years and not file a rate filing  
60 for an increase in premium rates for the long-term care policy during  
61 the period chosen. Such company, society, corporation or center shall  
62 use a periodic rate increase that is actuarially equivalent to a single rate  
63 increase and a current interest rate for the period chosen.

64 (B) Prior to implementing a premium rate increase, each such  
65 company, society, corporation or center shall:

66 (i) Notify its policyholders of such premium rate increase and make  
67 available to such policyholders the additional choice of reducing the  
68 policy benefits to reduce the premium rate or electing coverage that  
69 reflects the minimum set of affordable benefit options developed by the  
70 commissioner pursuant to section 38a-475a. Such notice shall include a  
71 description of such policy benefit reductions and minimum set of  
72 affordable benefit options. The premium rates for any benefit reductions  
73 shall be based on the new premium rate schedule;

74 (ii) Provide policyholders not less than thirty calendar days to elect a  
75 reduction in policy benefits or coverage that reflects the minimum set of  
76 affordable benefit options developed by the commissioner pursuant to  
77 section 38a-475a; and

78 (iii) Include a statement in such notice that if a policyholder fails to  
79 elect a reduction in policy benefits or coverage that reflects the

80 minimum set of affordable benefit options developed by the  
81 commissioner pursuant to section 38a-475a by the end of the notice  
82 period and has not cancelled the policy, the policyholder will be deemed  
83 to have elected to retain the existing policy benefits.

84 Sec. 2. Section 38a-501 of the general statutes is amended by adding  
85 subsection (i) as follows (*Effective July 1, 2026*):

86 (NEW) (i) (1) Whenever the Insurance Commissioner has reason to  
87 believe that any insurance company, fraternal benefit society, hospital  
88 service corporation, medical service corporation or health care center is  
89 operating in violation of the provisions of this section, the commissioner  
90 shall have the power to conduct an investigation pursuant to section  
91 38a-16.

92 (2) If, upon investigation, the commissioner determines that an  
93 insurance company, fraternal benefit society, hospital service  
94 corporation, medical service corporation or health care center has  
95 violated the provisions of this section, the commissioner may, following  
96 a hearing in accordance with section 38a-16, order a corrective action  
97 plan, impose administrative remedies or issue a penalty upon such  
98 insurer in accordance with section 38a-2.

99 (3) At any time prior to the conclusion of a hearing being held  
100 pursuant to subdivision (2) of this subsection, the commissioner may  
101 permit an insurance company, fraternal benefit society, hospital service  
102 corporation, medical service corporation or health care center to submit  
103 a corrective action plan for the commissioner's approval.

104 (4) The commissioner may refer any suspected violations of this  
105 section to the Attorney General for consideration of further remedies as  
106 may be available under state or federal law.

107 Sec. 3. Subsection (b) of section 38a-528 of the general statutes is  
108 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
109 *2026*):

110 (b) (1) No insurance company, fraternal benefit society, hospital  
111 service corporation, medical service corporation or health care center  
112 may deliver or issue for delivery any long-term care policy or certificate  
113 that has a loss ratio of less than sixty-five per cent for any group long-  
114 term care policy. An issuer shall not use or change premium rates for a  
115 long-term care policy or certificate unless the rates have been filed with  
116 the commissioner. Deviations in rates to reflect policyholder experience  
117 shall be permitted, provided each policy form shall meet the loss ratio  
118 requirement of this section. Any rate filings or rate revisions shall  
119 demonstrate that anticipated claims in relation to premiums when  
120 combined with actual experience to date can be expected to comply with  
121 the loss ratio requirement of this section. On an annual basis, an insurer  
122 shall submit to the commissioner an actuarial certification of the  
123 insurer's continuing compliance with the loss ratio requirement of this  
124 section. Any rate or rate revision may be disapproved if the  
125 commissioner determines that the loss ratio requirement will not be met  
126 over the lifetime of the policy form using reasonable assumptions.

127 (2) An issuer shall file an annual report, not later than May first, with  
128 the Insurance Commissioner on incurred losses and actual paid losses  
129 for each long-term care policy issued in the state. The Insurance  
130 Commissioner, in consultation with the Secretary of the Office of Policy  
131 and Management, shall, not later than October 1, 2027, and annually  
132 thereafter, file a report, in accordance with the provisions of section 11-  
133 4a, with the joint standing committees of the General Assembly having  
134 cognizance of matters relating to aging, human services and insurance  
135 and real estate on the incurred loss and actual paid loss for each long-  
136 term care policy in the past three calendar years. Such report shall state  
137 which policies have been precertified pursuant to section 38a-475. Data  
138 in such report shall be aggregated and deidentified. The Insurance  
139 Department shall include a link to the report on the Insurance  
140 Department's Internet web site, and the Secretary of the Office of Policy  
141 and Management shall include a link to the report on the Internet web  
142 site of the Office of Policy and Management.

143        [(2)] (3) (A) Any insurance company, fraternal benefit society,  
144 hospital service corporation, medical service corporation or health care  
145 center that files a rate filing for an increase in premium rates for a long-  
146 term care policy that is for twenty per cent or more shall spread the  
147 increase over a period of not less than three years and not file a rate filing  
148 for an increase in premium rates for the long-term care policy during  
149 the period chosen. Such company, society, corporation or center shall  
150 use a periodic rate increase that is actuarially equivalent to a single rate  
151 increase and a current interest rate for the period chosen.

152        (B) Prior to implementing a premium rate increase, each such  
153 company, society, corporation or center shall:

154        (i) Notify its certificate holders of such premium rate increase and  
155 make available to such certificate holders the additional choice of  
156 reducing the policy benefits to reduce the premium rate or electing  
157 coverage that reflects the minimum set of affordable benefit options  
158 developed by the commissioner pursuant to section 38a-475a. Such  
159 notice shall include a description of such policy benefit reductions and  
160 minimum set of affordable benefit options. The premium rates for any  
161 benefit reductions shall be based on the new premium rate schedule;

162        (ii) Provide certificate holders not less than thirty calendar days to  
163 elect a reduction in policy benefits or coverage that reflects the  
164 minimum set of affordable benefit options developed by the  
165 commissioner pursuant to section 38a-475a; and

166        (iii) Include a statement in such notice that if a certificate holder fails  
167 to elect a reduction in policy benefits or coverage that reflects the  
168 minimum set of affordable benefit options developed by the  
169 commissioner pursuant to section 38a-475a by the end of the notice  
170 period and has not cancelled the policy, the certificate holder will be  
171 deemed to have elected to retain the existing policy benefits.

172        Sec. 4. Section 38a-528 of the general statutes is amended by adding  
173 subsection (h) as follows (*Effective July 1, 2026*):

174 (NEW) (h) (1) Whenever the Insurance Commissioner has reason to  
175 believe that any insurance company, fraternal benefit society, hospital  
176 service corporation, medical service corporation or health care center is  
177 operating in violation of the provisions of this section, the commissioner  
178 shall have the power to conduct an investigation pursuant to section  
179 38a-16.

180 (2) If, upon investigation, the commissioner determines that an  
181 insurance company, fraternal benefit society, hospital service  
182 corporation, medical service corporation or health care center has  
183 violated the provisions of this section, the commissioner may, following  
184 a hearing in accordance with section 38a-16, order a corrective action  
185 plan, impose administrative remedies or issue a penalty upon such  
186 insurer in accordance with section 38a-2.

187 (3) At any time prior to the conclusion of a hearing being held  
188 pursuant to subdivision (2) of this subsection, the commissioner may  
189 permit an insurance company, fraternal benefit society, hospital service  
190 corporation, medical service corporation or health care center to submit  
191 a corrective action plan for the commissioner's approval.

192 (4) The commissioner may refer any suspected violations of this  
193 section to the Attorney General for consideration of further remedies as  
194 may be available under state or federal law."

195 Sec. 5. Subparagraph (B) of subdivision (20) of subsection (a) of  
196 section 12-701 of the 2026 supplement to the general statutes is repealed  
197 and the following is substituted in lieu thereof (*Effective from passage and*  
198 *applicable to taxable years commencing on or after January 1, 2026*):

199 (B) There shall be subtracted therefrom:

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

203 (ii) To the extent allowable under section 12-718, exempt dividends

204 paid by a regulated investment company;

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

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

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

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

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

234 (viii) Any interest on indebtedness incurred or continued to purchase

235 or carry obligations or securities the interest on which is subject to tax  
236 under this chapter but exempt from federal income tax, to the extent that  
237 such interest on indebtedness is not deductible in determining federal  
238 adjusted gross income and is attributable to a trade or business carried  
239 on by such individual;

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

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

263 (II) For taxable years commencing prior to January 1, 2019, for a  
264 person who files a return under the federal income tax as an unmarried  
265 individual whose federal adjusted gross income for such taxable year is  
266 fifty thousand dollars or more, or as a married individual filing  
267 separately whose federal adjusted gross income for such taxable year is

268 fifty thousand dollars or more, or for a husband and wife who file a  
269 return under the federal income tax as married individuals filing jointly  
270 whose federal adjusted gross income from such taxable year is sixty  
271 thousand dollars or more or for a person who files a return under the  
272 federal income tax as a head of household whose federal adjusted gross  
273 income for such taxable year is sixty thousand dollars or more, an  
274 amount equal to the difference between the amount of Social Security  
275 benefits includable for federal income tax purposes and the lesser of  
276 twenty-five per cent of the Social Security benefits received during the  
277 taxable year, or twenty-five per cent of the excess described in Section  
278 86(b)(1) of the Internal Revenue Code;

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

292 (IV) For the taxable year commencing January 1, 2019, and each  
293 taxable year thereafter, for a person who files a return under the federal  
294 income tax as an unmarried individual whose federal adjusted gross  
295 income for such taxable year is seventy-five thousand dollars or more,  
296 or as a married individual filing separately whose federal adjusted gross  
297 income for such taxable year is seventy-five thousand dollars or more,  
298 or for a husband and wife who file a return under the federal income tax  
299 as married individuals filing jointly whose federal adjusted gross  
300 income from such taxable year is one hundred thousand dollars or more

301 or for a person who files a return under the federal income tax as a head  
302 of household whose federal adjusted gross income for such taxable year  
303 is one hundred thousand dollars or more, an amount equal to the  
304 difference between the amount of Social Security benefits includable for  
305 federal income tax purposes and the lesser of twenty-five per cent of the  
306 Social Security benefits received during the taxable year, or twenty-five  
307 per cent of the excess described in Section 86(b)(1) of the Internal  
308 Revenue Code;

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

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

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

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

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

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

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

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

352 (xix) To the extent properly includable in gross income for federal  
353 income tax purposes, (I) for the taxable year commencing January 1,  
354 2015, ten per cent of the income received from the state teachers'  
355 retirement system, (II) for the taxable years commencing January 1,  
356 2016, to January 1, 2020, inclusive, twenty-five per cent of the income  
357 received from the state teachers' retirement system, and (III) for the  
358 taxable year commencing January 1, 2021, and each taxable year  
359 thereafter, fifty per cent of the income received from the state teachers'  
360 retirement system or, for a taxpayer whose federal adjusted gross  
361 income does not exceed the applicable threshold under clause (xx) of  
362 this subparagraph, the percentage pursuant to said clause of the income  
363 received from the state teachers' retirement system, whichever  
364 deduction is greater;

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

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

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

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

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

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

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

428 (xxvii) To the extent properly includable in gross income for federal  
429 income tax purposes, for a person who files a return under the federal  
430 income tax as an unmarried individual whose federal adjusted gross  
431 income for such taxable year is less than seventy-five thousand dollars,  
432 or as a married individual filing separately whose federal adjusted gross  
433 income for such taxable year is less than seventy-five thousand dollars,  
434 or as a head of household whose federal adjusted gross income for such  
435 taxable year is less than seventy-five thousand dollars, or for a husband  
436 and wife who file a return under the federal income tax as married  
437 individuals filing jointly whose federal adjusted gross income for such  
438 taxable year is less than one hundred thousand dollars, for the taxable

439 year commencing January 1, 2023, twenty-five per cent of any  
 440 distribution from an individual retirement account other than a Roth  
 441 individual retirement account;

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

459 (xxix) To the extent properly includable in gross income for federal

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

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

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

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

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

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

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

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

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

513 thousand dollars:

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

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

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

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

559 (xxxviii) For the taxable year commencing January 1, 2026, and each  
 560 taxable year thereafter, the amount of any premiums paid in the taxable  
 561 year for a long-term care insurance policy issued pursuant to section  
 562 38a-475, 38a-501, as amended by this act, or 38a-528, as amended by this  
 563 act."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	38a-501(b)
Sec. 2	July 1, 2026	38a-501(i)
Sec. 3	July 1, 2026	38a-528(b)
Sec. 4	July 1, 2026	38a-528(h)
Sec. 5	from passage and applicable to taxable years commencing on or after January 1, 2026	12-701(a)(20)(B)