



House of Representatives

General Assembly

File No. 667

February Session, 2026

Substitute House Bill No. 5444

House of Representatives, April 16, 2026

The Committee on Finance, Revenue and Bonding reported through REP. HORN of the 64th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE INDEXING OF CERTAIN PERSONAL INCOME TAX THRESHOLDS AND EXEMPTION AMOUNTS.

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

1 Section 1. Subsection (a) of section 12-700 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2026*):

4 (a) There is hereby imposed on the Connecticut taxable income of
5 each resident of this state a tax:

6 (1) At the rate of four and one-half per cent of such Connecticut
7 taxable income for taxable years commencing on or after January 1,
8 1992, and prior to January 1, 1996.

9 (2) For taxable years commencing on or after January 1, 1996, but
10 prior to January 1, 1997, in accordance with the following schedule:

11 (A) For any person who files a return under the federal income tax

12 for such taxable year as an unmarried individual or as a married
13 individual filing separately:

T1	Connecticut Taxable Income	Rate of Tax
T2	Not over \$2,250	3.0%
T3	Over \$2,250	\$67.50, plus 4.5% of the
T4		excess over \$2,250

14 (B) For any person who files a return under the federal income tax for
15 such taxable year as a head of household, as defined in Section 2(b) of
16 the Internal Revenue Code:

T5	Connecticut Taxable Income	Rate of Tax
T6	Not over \$3,500	3.0%
T7	Over \$3,500	\$105.00, plus 4.5% of the
T8		excess over \$3,500

17 (C) For any husband and wife who file a return under the federal
18 income tax for such taxable year as married individuals filing jointly or
19 a person who files a return under the federal income tax as a surviving
20 spouse, as defined in Section 2(a) of the Internal Revenue Code:

T9	Connecticut Taxable Income	Rate of Tax
T10	Not over \$4,500	3.0%
T11	Over \$4,500	\$135.00, plus 4.5% of the
T12		excess over \$4,500

21 (D) For trusts or estates, the rate of tax shall be 4.5% of their
22 Connecticut taxable income.

23 (3) For taxable years commencing on or after January 1, 1997, but
24 prior to January 1, 1998, in accordance with the following schedule:

25 (A) For any person who files a return under the federal income tax
26 for such taxable year as an unmarried individual or as a married
27 individual filing separately:

T13	Connecticut Taxable Income	Rate of Tax
T14	Not over \$6,250	3.0%
T15	Over \$6,250	\$187.50, plus 4.5% of the
T16		excess over \$6,250

28 (B) For any person who files a return under the federal income tax for
 29 such taxable year as a head of household, as defined in Section 2(b) of
 30 the Internal Revenue Code:

T17	Connecticut Taxable Income	Rate of Tax
T18	Not over \$10,000	3.0%
T19	Over \$10,000	\$300.00, plus 4.5% of the
T20		excess over \$10,000

31 (C) For any husband and wife who file a return under the federal
 32 income tax for such taxable year as married individuals filing jointly or
 33 any person who files a return under the federal income tax for such
 34 taxable year as a surviving spouse, as defined in Section 2(a) of the
 35 Internal Revenue Code:

T21	Connecticut Taxable Income	Rate of Tax
T22	Not over \$12,500	3.0%
T23	Over \$12,500	\$375.00, plus 4.5% of the
T24		excess over \$12,500

36 (D) For trusts or estates, the rate of tax shall be 4.5% of their
 37 Connecticut taxable income.

38 (4) For taxable years commencing on or after January 1, 1998, but
 39 prior to January 1, 1999, in accordance with the following schedule:

40 (A) For any person who files a return under the federal income tax
 41 for such taxable year as an unmarried individual or as a married
 42 individual filing separately:

T25	Connecticut Taxable Income	Rate of Tax
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T26	Not over \$7,500	3.0%
T27	Over \$7,500	\$225.00, plus 4.5% of the
T28		excess over \$7,500

43 (B) For any person who files a return under the federal income tax for
 44 such taxable year as a head of household, as defined in Section 2(b) of
 45 the Internal Revenue Code:

T29	Connecticut Taxable Income	Rate of Tax
T30	Not over \$12,000	3.0%
T31	Over \$12,000	\$360.00, plus 4.5% of the
T32		excess over \$12,000

46 (C) For any husband and wife who file a return under the federal
 47 income tax for such taxable year as married individuals filing jointly or
 48 any person who files a return under the federal income tax for such
 49 taxable year as a surviving spouse, as defined in Section 2(a) of the
 50 Internal Revenue Code:

T33	Connecticut Taxable Income	Rate of Tax
T34	Not over \$15,000	3.0%
T35	Over \$15,000	\$450.00, plus 4.5% of the
T36		excess over \$15,000

51 (D) For trusts or estates, the rate of tax shall be 4.5% of their
 52 Connecticut taxable income.

53 (5) For taxable years commencing on or after January 1, 1999, but
 54 prior to January 1, 2003, in accordance with the following schedule:

55 (A) For any person who files a return under the federal income tax
 56 for such taxable year as an unmarried individual or as a married
 57 individual filing separately:

T37	Connecticut Taxable Income	Rate of Tax
T38	Not over \$10,000	3.0%

T52 excess over \$10,000

73 (B) For any person who files a return under the federal income tax for
74 such taxable year as a head of household, as defined in Section 2(b) of
75 the Internal Revenue Code:

T53	Connecticut Taxable Income	Rate of Tax
T54	Not over \$16,000	3.0%
T55	Over \$16,000	\$480.00, plus 5.0% of the
T56		excess over \$16,000

76 (C) For any husband and wife who file a return under the federal
77 income tax for such taxable year as married individuals filing jointly or
78 any person who files a return under the federal income tax for such
79 taxable year as a surviving spouse, as defined in Section 2(a) of the
80 Internal Revenue Code:

T57	Connecticut Taxable Income	Rate of Tax
T58	Not over \$20,000	3.0%
T59	Over \$20,000	\$600.00, plus 5.0% of the
T60		excess over \$20,000

81 (D) For trusts or estates, the rate of tax shall be 5.0% of the
82 Connecticut taxable income.

83 (7) For taxable years commencing on or after January 1, 2009, but
84 prior to January 1, 2011, in accordance with the following schedule:

85 (A) For any person who files a return under the federal income tax
86 for such taxable year as an unmarried individual:

T61	Connecticut Taxable Income	Rate of Tax
T62	Not over \$10,000	3.0%
T63	Over \$10,000 but not	\$300.00, plus 5.0% of the
T64	over \$500,000	excess over \$10,000
T65	Over \$500,000	\$24,800, plus 6.5% of the

T66 excess over \$500,000

87 (B) For any person who files a return under the federal income tax for
88 such taxable year as a head of household, as defined in Section 2(b) of
89 the Internal Revenue Code:

T67	Connecticut Taxable Income	Rate of Tax
T68	Not over \$16,000	3.0%
T69	Over \$16,000 but not	\$480.00, plus 5.0% of the
T70	over \$800,000	excess over \$16,000
T71	Over \$800,000	\$39,680, plus 6.5% of the
T72		excess over \$800,000

90 (C) For any husband and wife who file a return under the federal
91 income tax for such taxable year as married individuals filing jointly or
92 any person who files a return under the federal income tax for such
93 taxable year as a surviving spouse, as defined in Section 2(a) of the
94 Internal Revenue Code:

T73	Connecticut Taxable Income	Rate of Tax
T74	Not over \$20,000	3.0%
T75	Over \$20,000 but not	\$600.00, plus 5.0% of the
T76	over \$1,000,000	excess over \$20,000
T77	Over \$1,000,000	\$49,600, plus 6.5% of the
T78		excess over \$1,000,000

95 (D) For any person who files a return under the federal income tax
96 for such taxable year as a married individual filing separately:

T79	Connecticut Taxable Income	Rate of Tax
T80	Not over \$10,000	3.0%
T81	Over \$10,000 but not	\$300.00, plus 5.0% of the
T82	over \$500,000	excess over \$10,000
T83	Over \$500,000	\$24,800, plus 6.5% of the
T84		excess over \$500,000

97 (E) For trusts or estates, the rate of tax shall be 6.5% of the Connecticut
98 taxable income.

99 (8) For taxable years commencing on or after January 1, 2011, but
100 prior to January 1, 2015, in accordance with the following schedule:

101 (A) (i) For any person who files a return under the federal income tax
102 for such taxable year as an unmarried individual:

T85	Connecticut Taxable Income	Rate of Tax
T86	Not over \$10,000	3.0%
T87	Over \$10,000 but not	\$300.00, plus 5.0% of the
T88	over \$50,000	excess over \$10,000
T89	Over \$50,000 but not	\$2,300, plus 5.5% of the
T90	over \$100,000	excess over \$50,000
T91	Over \$100,000 but not	\$5,050, plus 6.0% of the
T92	over \$200,000	excess over \$100,000
T93	Over \$200,000 but not	\$11,050, plus 6.5% of the
T94	over \$250,000	excess over \$200,000
T95	Over \$250,000	\$14,300, plus 6.70% of the
T96		excess over \$250,000

103 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this
104 subdivision, for each taxpayer whose Connecticut adjusted gross
105 income exceeds fifty-six thousand five hundred dollars, the amount of
106 the taxpayer's Connecticut taxable income to which the three-per-cent
107 tax rate applies shall be reduced by one thousand dollars for each five
108 thousand dollars, or fraction thereof, by which the taxpayer's
109 Connecticut adjusted gross income exceeds said amount. Any such
110 amount of Connecticut taxable income to which, as provided in the
111 preceding sentence, the three-per-cent tax rate does not apply shall be
112 an amount to which the five-per-cent tax rate shall apply.

113 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
114 two hundred thousand dollars shall pay, in addition to the tax
115 computed under the provisions of subparagraphs (A)(i) and (A)(ii) of

116 this subdivision, an amount equal to seventy-five dollars for each five
 117 thousand dollars, or fraction thereof, by which the taxpayer's
 118 Connecticut adjusted gross income exceeds two hundred thousand
 119 dollars, up to a maximum payment of two thousand two hundred fifty
 120 dollars.

121 (B) (i) For any person who files a return under the federal income tax
 122 for such taxable year as a head of household, as defined in Section 2(b)
 123 of the Internal Revenue Code:

T97	Connecticut Taxable Income	Rate of Tax
T98	Not over \$16,000	3.0%
T99	Over \$16,000 but not	\$480.00, plus 5.0% of the
T100	over \$80,000	excess over \$16,000
T101	Over \$80,000 but not	\$3,680, plus 5.5% of the
T102	over \$160,000	excess over \$80,000
T103	Over \$160,000 but not	\$8,080, plus 6.0% of the
T104	over \$320,000	excess over \$160,000
T105	Over \$320,000 but not	\$17,680, plus 6.5% of the
T106	over \$400,000	excess over \$320,000
T107	Over \$400,000	\$22,880, plus 6.70% of the
T108		excess over \$400,000

124 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this
 125 subdivision, for each taxpayer whose Connecticut adjusted gross
 126 income exceeds seventy-eight thousand five hundred dollars, the
 127 amount of the taxpayer's Connecticut taxable income to which the three-
 128 per-cent tax rate applies shall be reduced by one thousand six hundred
 129 dollars for each four thousand dollars, or fraction thereof, by which the
 130 taxpayer's Connecticut adjusted gross income exceeds said amount.
 131 Any such amount of Connecticut taxable income to which, as provided
 132 in the preceding sentence, the three-per-cent tax rate does not apply
 133 shall be an amount to which the five-per-cent tax rate shall apply.

134 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
 135 three hundred twenty thousand dollars shall pay, in addition to the tax

136 computed under the provisions of subparagraphs (B)(i) and (B)(ii) of
 137 this subdivision, an amount equal to one hundred twenty dollars for
 138 each eight thousand dollars, or fraction thereof, by which the taxpayer's
 139 Connecticut adjusted gross income exceeds three hundred twenty
 140 thousand dollars, up to a maximum payment of three thousand six
 141 hundred dollars.

142 (C) (i) For any husband and wife who file a return under the federal
 143 income tax for such taxable year as married individuals filing jointly or
 144 any person who files a return under the federal income tax for such
 145 taxable year as a surviving spouse, as defined in Section 2(a) of the
 146 Internal Revenue Code:

T109	Connecticut Taxable Income	Rate of Tax
T110	Not over \$20,000	3.0%
T111	Over \$20,000 but not	\$600.00, plus 5.0% of the
T112	over \$100,000	excess over \$20,000
T113	Over \$100,000 but not	\$4,600, plus 5.5% of the
T114	over \$200,000	excess over \$100,000
T115	Over \$200,000 but not	\$10,100, plus 6.0% of the
T116	over \$400,000	excess over \$200,000
T117	Over \$400,000 but not	\$22,100, plus 6.5% of the
T118	over \$500,000	excess over \$400,000
T119	Over \$500,000	\$28,600, plus 6.70% of the
T120		excess over \$500,000

147 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
 148 subdivision, for each taxpayer whose Connecticut adjusted gross
 149 income exceeds one hundred thousand five hundred dollars, the
 150 amount of the taxpayer's Connecticut taxable income to which the three-
 151 per-cent tax rate applies shall be reduced by two thousand dollars for
 152 each five thousand dollars, or fraction thereof, by which the taxpayer's
 153 Connecticut adjusted gross income exceeds said amount. Any such
 154 amount of Connecticut taxable income to which, as provided in the
 155 preceding sentence, the three-per-cent tax rate does not apply shall be

156 an amount to which the five-per-cent tax rate shall apply.

157 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
158 four hundred thousand dollars shall pay, in addition to the tax
159 computed under the provisions of subparagraphs (C)(i) and (C)(ii) of
160 this subdivision, an amount equal to one hundred fifty dollars for each
161 ten thousand dollars, or fraction thereof, by which the taxpayer's
162 Connecticut adjusted gross income exceeds four hundred thousand
163 dollars, up to a maximum payment of four thousand five hundred
164 dollars.

165 (D) (i) For any person who files a return under the federal income tax
166 for such taxable year as a married individual filing separately:

T121	Connecticut Taxable Income	Rate of Tax
T122	Not over \$10,000	3.0%
T123	Over \$10,000 but not	\$300.00, plus 5.0% of the
T124	over \$50,000	excess over \$10,000
T125	Over \$50,000 but not	\$2,300, plus 5.5% of the
T126	over \$100,000	excess over \$50,000
T127	Over \$100,000 but not	\$5,050, plus 6.0% of the
T128	over \$200,000	excess over \$100,000
T129	Over \$200,000 but not	\$11,050, plus 6.5% of the
T130	over \$250,000	excess over \$200,000
T131	Over \$250,000	\$14,300, plus 6.70% of the
T132		excess over \$250,000

167 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this
168 subdivision, for each taxpayer whose Connecticut adjusted gross
169 income exceeds fifty thousand two hundred fifty dollars, the amount of
170 the taxpayer's Connecticut taxable income to which the three-per-cent
171 tax rate applies shall be reduced by one thousand dollars for each two
172 thousand five hundred dollars, or fraction thereof, by which the
173 taxpayer's Connecticut adjusted gross income exceeds said amount.
174 Any such amount of Connecticut taxable income to which, as provided

175 in the preceding sentence, the three-per-cent tax rate does not apply
176 shall be an amount to which the five-per-cent tax rate shall apply.

177 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
178 two hundred thousand dollars shall pay, in addition to the tax
179 computed under the provisions of subparagraphs (D)(i) and (D)(ii) of
180 this subdivision, an amount equal to seventy-five dollars for each five
181 thousand dollars, or fraction thereof, by which the taxpayer's
182 Connecticut adjusted gross income exceeds two hundred thousand
183 dollars, up to a maximum payment of two thousand two hundred fifty
184 dollars.

185 (E) For trusts or estates, the rate of tax shall be 6.70% of the
186 Connecticut taxable income.

187 (9) For taxable years commencing on or after January 1, 2015, but
188 prior to January 1, 2024, in accordance with the following schedule:

189 (A) (i) For any person who files a return under the federal income tax
190 for such taxable year as an unmarried individual:

T133	Connecticut Taxable Income	Rate of Tax
T134	Not over \$10,000	3.0%
T135	Over \$10,000 but not	\$300.00, plus 5.0% of the
T136	over \$50,000	excess over \$10,000
T137	Over \$50,000 but not	\$2,300, plus 5.5% of the
T138	over \$100,000	excess over \$50,000
T139	Over \$100,000 but not	\$5,050, plus 6.0% of the
T140	over \$200,000	excess over \$100,000
T141	Over \$200,000 but not	\$11,050, plus 6.5% of the
T142	over \$250,000	excess over \$200,000
T143	Over \$250,000 but not	\$14,300, plus 6.9% of the
T144	over \$500,000	excess over \$250,000
T145	Over \$500,000	\$31,550, plus 6.99% of the
T146		excess over \$500,000

191 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this

192 subdivision, for each taxpayer whose Connecticut adjusted gross
 193 income exceeds fifty-six thousand five hundred dollars, the amount of
 194 the taxpayer's Connecticut taxable income to which the three-per-cent
 195 tax rate applies shall be reduced by one thousand dollars for each five
 196 thousand dollars, or fraction thereof, by which the taxpayer's
 197 Connecticut adjusted gross income exceeds said amount. Any such
 198 amount of Connecticut taxable income to which, as provided in the
 199 preceding sentence, the three-per-cent tax rate does not apply shall be
 200 an amount to which the five-per-cent tax rate shall apply.

201 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
 202 two hundred thousand dollars shall pay, in addition to the tax
 203 computed under the provisions of subparagraphs (A)(i) and (A)(ii) of
 204 this subdivision, an amount equal to ninety dollars for each five
 205 thousand dollars, or fraction thereof, by which the taxpayer's
 206 Connecticut adjusted gross income exceeds two hundred thousand
 207 dollars, up to a maximum payment of two thousand seven hundred
 208 dollars.

209 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
 210 five hundred thousand dollars shall pay, in addition to the tax
 211 computed under the provisions of subparagraphs (A)(i), (A)(ii) and
 212 (A)(iii) of this subdivision, an amount equal to fifty dollars for each five
 213 thousand dollars, or fraction thereof, by which the taxpayer's
 214 Connecticut adjusted gross income exceeds five hundred thousand
 215 dollars, up to a maximum payment of four hundred fifty dollars.

216 (B) (i) For any person who files a return under the federal income tax
 217 for such taxable year as a head of household, as defined in Section 2(b)
 218 of the Internal Revenue Code:

T147	Connecticut Taxable Income	Rate of Tax
T148	Not over \$16,000	3.0%
T149	Over \$16,000 but not	\$480.00, plus 5.0% of the
T150	over \$80,000	excess over \$16,000
T151	Over \$80,000 but not	\$3,680, plus 5.5% of the

T152	over \$160,000	excess over \$80,000
T153	Over \$160,000 but not	\$8,080, plus 6.0% of the
T154	over \$320,000	excess over \$160,000
T155	Over \$320,000 but not	\$17,680, plus 6.5% of the
T156	over \$400,000	excess over \$320,000
T157	Over \$400,000 but not	\$22,880, plus 6.9% of the
T158	over \$800,000	excess over \$400,000
T159	Over \$800,000	\$50,480, plus 6.99% of the
T160		excess over \$800,000

219 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this
 220 subdivision, for each taxpayer whose Connecticut adjusted gross
 221 income exceeds seventy-eight thousand five hundred dollars, the
 222 amount of the taxpayer's Connecticut taxable income to which the three-
 223 per-cent tax rate applies shall be reduced by one thousand six hundred
 224 dollars for each four thousand dollars, or fraction thereof, by which the
 225 taxpayer's Connecticut adjusted gross income exceeds said amount.
 226 Any such amount of Connecticut taxable income to which, as provided
 227 in the preceding sentence, the three-per-cent tax rate does not apply
 228 shall be an amount to which the five-per-cent tax rate shall apply.

229 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
 230 three hundred twenty thousand dollars shall pay, in addition to the tax
 231 computed under the provisions of subparagraphs (B)(i) and (B)(ii) of
 232 this subdivision, an amount equal to one hundred forty dollars for each
 233 eight thousand dollars, or fraction thereof, by which the taxpayer's
 234 Connecticut adjusted gross income exceeds three hundred twenty
 235 thousand dollars, up to a maximum payment of four thousand two
 236 hundred dollars.

237 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
 238 eight hundred thousand dollars shall pay, in addition to the tax
 239 computed under the provisions of subparagraphs (B)(i), (B)(ii) and
 240 (B)(iii) of this subdivision, an amount equal to eighty dollars for each
 241 eight thousand dollars, or fraction thereof, by which the taxpayer's
 242 Connecticut adjusted gross income exceeds eight hundred thousand

243 dollars, up to a maximum payment of seven hundred twenty dollars.

244 (C) (i) For any husband and wife who file a return under the federal
 245 income tax for such taxable year as married individuals filing jointly or
 246 any person who files a return under the federal income tax for such
 247 taxable year as a surviving spouse, as defined in Section 2(a) of the
 248 Internal Revenue Code:

T161	Connecticut Taxable Income	Rate of Tax
T162	Not over \$20,000	3.0%
T163	Over \$20,000 but not	\$600.00, plus 5.0% of the
T164	over \$100,000	excess over \$20,000
T165	Over \$100,000 but not	\$4,600, plus 5.5% of the
T166	over \$200,000	excess over \$100,000
T167	Over \$200,000 but not	\$10,100, plus 6.0% of the
T168	over \$400,000	excess over \$200,000
T169	Over \$400,000 but not	\$22,100, plus 6.5% of the
T170	over \$500,000	excess over \$400,000
T171	Over \$500,000 but not	\$28,600, plus 6.9% of the
T172	over \$1,000,000	excess over \$500,000
T173	Over \$1,000,000	\$63,100, plus 6.99% of the
T174		excess over \$1,000,000

249 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
 250 subdivision, for each taxpayer whose Connecticut adjusted gross
 251 income exceeds one hundred thousand five hundred dollars, the
 252 amount of the taxpayer's Connecticut taxable income to which the three-
 253 per-cent tax rate applies shall be reduced by two thousand dollars for
 254 each five thousand dollars, or fraction thereof, by which the taxpayer's
 255 Connecticut adjusted gross income exceeds said amount. Any such
 256 amount of Connecticut taxable income to which, as provided in the
 257 preceding sentence, the three-per-cent tax rate does not apply shall be
 258 an amount to which the five-per-cent tax rate shall apply.

259 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds

260 four hundred thousand dollars shall pay, in addition to the tax
 261 computed under the provisions of subparagraphs (C)(i) and (C)(ii) of
 262 this subdivision, an amount equal to one hundred eighty dollars for
 263 each ten thousand dollars, or fraction thereof, by which the taxpayer's
 264 Connecticut adjusted gross income exceeds four hundred thousand
 265 dollars, up to a maximum payment of five thousand four hundred
 266 dollars.

267 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
 268 one million dollars shall pay, in addition to the tax computed under the
 269 provisions of subparagraphs (C)(i), (C)(ii) and (C)(iii) of this
 270 subdivision, an amount equal to one hundred dollars for each ten
 271 thousand dollars, or fraction thereof, by which the taxpayer's
 272 Connecticut adjusted gross income exceeds one million dollars, up to a
 273 maximum payment of nine hundred dollars.

274 (D) (i) For any person who files a return under the federal income tax
 275 for such taxable year as a married individual filing separately:

T175	Connecticut Taxable Income	Rate of Tax
T176	Not over \$10,000	3.0%
T177	Over \$10,000 but not	\$300.00, plus 5.0% of the
T178	over \$50,000	excess over \$10,000
T179	Over \$50,000 but not	\$2,300, plus 5.5% of the
T180	over \$100,000	excess over \$50,000
T181	Over \$100,000 but not	\$5,050, plus 6.0% of the
T182	over \$200,000	excess over \$100,000
T183	Over \$200,000 but not	\$11,050, plus 6.5% of the
T184	over \$250,000	excess over \$200,000
T185	Over \$250,000 but not	\$14,300, plus 6.9% of the
T186	over \$500,000	excess over \$250,000
T187	Over \$500,000	\$31,550, plus 6.99% of the
T188		excess over \$500,000

276 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this

277 subdivision, for each taxpayer whose Connecticut adjusted gross
278 income exceeds fifty thousand two hundred fifty dollars, the amount of
279 the taxpayer's Connecticut taxable income to which the three-per-cent
280 tax rate applies shall be reduced by one thousand dollars for each two
281 thousand five hundred dollars, or fraction thereof, by which the
282 taxpayer's Connecticut adjusted gross income exceeds said amount.
283 Any such amount of Connecticut taxable income to which, as provided
284 in the preceding sentence, the three-per-cent tax rate does not apply
285 shall be an amount to which the five-per-cent tax rate shall apply.

286 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
287 two hundred thousand dollars shall pay, in addition to the tax
288 computed under the provisions of subparagraphs (D)(i) and (D)(ii) of
289 this subdivision, an amount equal to ninety dollars for each five
290 thousand dollars, or fraction thereof, by which the taxpayer's
291 Connecticut adjusted gross income exceeds two hundred thousand
292 dollars, up to a maximum payment of two thousand seven hundred
293 dollars.

294 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
295 five hundred thousand dollars shall pay, in addition to the tax
296 computed under the provisions of subparagraphs (D)(i), (D)(ii) and
297 (D)(iii) of this subdivision, an amount equal to fifty dollars for each five
298 thousand dollars, or fraction thereof, by which the taxpayer's
299 Connecticut adjusted gross income exceeds five hundred thousand
300 dollars, up to a maximum payment of four hundred fifty dollars.

301 (E) For trusts or estates, the rate of tax shall be 6.99% of the
302 Connecticut taxable income.

303 (10) For taxable years commencing on or after January 1, 2024, in
304 accordance with the following schedule and, for taxable years
305 commencing on or after January 1, 2028, subject to the provisions of
306 subdivision (11) of this subsection:

307 (A) (i) For any person who files a return under the federal income tax
308 for such taxable year as an unmarried individual:

T189	Connecticut Taxable Income	Rate of Tax
T190	Not over \$10,000	2.0%
T191	Over \$10,000 but not	\$200.00, plus 4.5% of the
T192	over \$50,000	excess over \$10,000
T193	Over \$50,000 but not	\$2,000, plus 5.5% of the
T194	over \$100,000	excess over \$50,000
T195	Over \$100,000 but not	\$4,750, plus 6.0% of the
T196	over \$200,000	excess over \$100,000
T197	Over \$200,000 but not	\$10,750, plus 6.5% of the
T198	over \$250,000	excess over \$200,000
T199	Over \$250,000 but not	\$14,000, plus 6.9% of the
T200	over \$500,000	excess over \$250,000
T201	Over \$500,000	\$31,250, plus 6.99% of the
T202		excess over \$500,000

309 (ii) Notwithstanding the provisions of subparagraph (A)(i) of this
310 subdivision, for each taxpayer whose Connecticut adjusted gross
311 income exceeds fifty-six thousand five hundred dollars, the amount of
312 the taxpayer's Connecticut taxable income to which the two-per-cent tax
313 rate applies shall be reduced by one thousand dollars for each five
314 thousand dollars, or fraction thereof, by which the taxpayer's
315 Connecticut adjusted gross income exceeds said amount. Any such
316 amount of Connecticut taxable income to which, as provided in the
317 preceding sentence, the two-per-cent tax rate does not apply shall be an
318 amount to which the four-and-one-half-per-cent tax rate shall apply.

319 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
320 one hundred five thousand dollars shall pay, in addition to the tax
321 computed under the provisions of subparagraphs (A)(i) and (A)(ii) of
322 this subdivision, an amount equal to twenty-five dollars for each five
323 thousand dollars, or fraction thereof, by which the taxpayer's
324 Connecticut adjusted gross income exceeds one hundred five thousand
325 dollars, up to a maximum payment of two hundred fifty dollars.

326 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
327 two hundred thousand dollars shall pay, in addition to the tax

328 computed under the provisions of subparagraphs (A)(i), (A)(ii) and
 329 (A)(iii) of this subdivision, an amount equal to ninety dollars for each
 330 five thousand dollars, or fraction thereof, by which the taxpayer's
 331 Connecticut adjusted gross income exceeds two hundred thousand
 332 dollars, up to a maximum payment of two thousand seven hundred
 333 dollars.

334 (v) Each taxpayer whose Connecticut adjusted gross income exceeds
 335 five hundred thousand dollars shall pay, in addition to the tax
 336 computed under the provisions of subparagraphs (A)(i), (A)(ii), (A)(iii)
 337 and (A)(iv) of this subdivision, an amount equal to fifty dollars for each
 338 five thousand dollars, or fraction thereof, by which the taxpayer's
 339 Connecticut adjusted gross income exceeds five hundred thousand
 340 dollars, up to a maximum payment of four hundred fifty dollars.

341 (B) (i) For any person who files a return under the federal income tax
 342 for such taxable year as a head of household, as defined in Section 2(b)
 343 of the Internal Revenue Code:

T203	Connecticut Taxable Income	Rate of Tax
T204	Not over \$16,000	2.0%
T205	Over \$16,000 but not	\$320.00, plus 4.5% of the
T206	over \$80,000	excess over \$16,000
T207	Over \$80,000 but not	\$3,200, plus 5.5% of the
T208	over \$160,000	excess over \$80,000
T209	Over \$160,000 but not	\$7,600, plus 6.0% of the
T210	over \$320,000	excess over \$160,000
T211	Over \$320,000 but not	\$17,200, plus 6.5% of the
T212	over \$400,000	excess over \$320,000
T213	Over \$400,000 but not	\$22,400, plus 6.9% of the
T214	over \$800,000	excess over \$400,000
T215	Over \$800,000	\$50,000, plus 6.99% of the
T216		excess over \$800,000

344 (ii) Notwithstanding the provisions of subparagraph (B)(i) of this
 345 subdivision, for each taxpayer whose Connecticut adjusted gross

346 income exceeds seventy-eight thousand five hundred dollars, the
347 amount of the taxpayer's Connecticut taxable income to which the two-
348 per-cent tax rate applies shall be reduced by one thousand six hundred
349 dollars for each four thousand dollars, or fraction thereof, by which the
350 taxpayer's Connecticut adjusted gross income exceeds said amount.
351 Any such amount of Connecticut taxable income to which, as provided
352 in the preceding sentence, the two-per-cent tax rate does not apply shall
353 be an amount to which the four-and-one-half-per-cent tax rate shall
354 apply.

355 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
356 one hundred sixty-eight thousand dollars shall pay, in addition to the
357 tax computed under the provisions of subparagraphs (B)(i) and (B)(ii) of
358 this subdivision, an amount equal to forty dollars for each eight
359 thousand dollars, or fraction thereof, by which the taxpayer's
360 Connecticut adjusted gross income exceeds one hundred sixty-eight
361 thousand dollars, up to a maximum payment of four hundred dollars.

362 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
363 three hundred twenty thousand dollars shall pay, in addition to the tax
364 computed under the provisions of subparagraphs (B)(i), (B)(ii) and
365 (B)(iii) of this subdivision, an amount equal to one hundred forty dollars
366 for each eight thousand dollars, or fraction thereof, by which the
367 taxpayer's Connecticut adjusted gross income exceeds three hundred
368 twenty thousand dollars, up to a maximum payment of four thousand
369 two hundred dollars.

370 (v) Each taxpayer whose Connecticut adjusted gross income exceeds
371 eight hundred thousand dollars shall pay, in addition to the tax
372 computed under the provisions of subparagraphs (B)(i), (B)(ii), (B)(iii)
373 and (B)(iv) of this subdivision, an amount equal to eighty dollars for
374 each eight thousand dollars, or fraction thereof, by which the taxpayer's
375 Connecticut adjusted gross income exceeds eight hundred thousand
376 dollars, up to a maximum payment of seven hundred twenty dollars.

377 (C) (i) For any husband and wife who file a return under the federal
378 income tax for such taxable year as married individuals filing jointly or

379 any person who files a return under the federal income tax for such
380 taxable year as a surviving spouse, as defined in Section 2(a) of the
381 Internal Revenue Code:

T217	Connecticut Taxable Income	Rate of Tax
T218	Not over \$20,000	2.0%
T219	Over \$20,000 but not	\$400.00, plus 4.5% of the
T220	over \$100,000	excess over \$20,000
T221	Over \$100,000 but not	\$4,000, plus 5.5% of the
T222	over \$200,000	excess over \$100,000
T223	Over \$200,000 but not	\$9,500, plus 6.0% of the
T224	over \$400,000	excess over \$200,000
T225	Over \$400,000 but not	\$21,500, plus 6.5% of the
T226	over \$500,000	excess over \$400,000
T227	Over \$500,000 but not	\$28,000, plus 6.9% of the
T228	over \$1,000,000	excess over \$500,000
T229	Over \$1,000,000	\$62,500, plus 6.99% of the
T230		excess over \$1,000,000

382 (ii) Notwithstanding the provisions of subparagraph (C)(i) of this
383 subdivision, for each taxpayer whose Connecticut adjusted gross
384 income exceeds one hundred thousand five hundred dollars, the
385 amount of the taxpayer's Connecticut taxable income to which the two-
386 per-cent tax rate applies shall be reduced by two thousand dollars for
387 each five thousand dollars, or fraction thereof, by which the taxpayer's
388 Connecticut adjusted gross income exceeds said amount. Any such
389 amount of Connecticut taxable income to which, as provided in the
390 preceding sentence, the two-per-cent tax rate does not apply shall be an
391 amount to which the four-and-one-half-per-cent tax rate shall apply.

392 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
393 two hundred ten thousand dollars shall pay, in addition to the tax
394 computed under the provisions of subparagraphs (C)(i) and (C)(ii) of
395 this subdivision, an amount equal to fifty dollars for each ten thousand
396 dollars, or fraction thereof, by which the taxpayer's Connecticut

397 adjusted gross income exceeds two hundred ten thousand dollars, up to
398 a maximum payment of five hundred dollars.

399 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
400 four hundred thousand dollars shall pay, in addition to the tax
401 computed under the provisions of subparagraphs (C)(i), (C)(ii) and
402 (C)(iii) of this subdivision, an amount equal to one hundred eighty
403 dollars for each ten thousand dollars, or fraction thereof, by which the
404 taxpayer's Connecticut adjusted gross income exceeds four hundred
405 thousand dollars, up to a maximum payment of five thousand four
406 hundred dollars.

407 (v) Each taxpayer whose Connecticut adjusted gross income exceeds
408 one million dollars shall pay, in addition to the tax computed under the
409 provisions of subparagraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) of this
410 subdivision, an amount equal to one hundred dollars for each ten
411 thousand dollars, or fraction thereof, by which the taxpayer's
412 Connecticut adjusted gross income exceeds one million dollars, up to a
413 maximum payment of nine hundred dollars.

414 (D) (i) For any person who files a return under the federal income tax
415 for such taxable year as a married individual filing separately:

T231	Connecticut Taxable Income	Rate of Tax
T232	Not over \$10,000	2.0%
T233	Over \$10,000 but not	\$200.00, plus 4.5% of the
T234	over \$50,000	excess over \$10,000
T235	Over \$50,000 but not	\$2,000, plus 5.5% of the
T236	over \$100,000	excess over \$50,000
T237	Over \$100,000 but not	\$4,750, plus 6.0% of the
T238	over \$200,000	excess over \$100,000
T239	Over \$200,000 but not	\$10,750, plus 6.5% of the
T240	over \$250,000	excess over \$200,000
T241	Over \$250,000 but not	\$14,000, plus 6.9% of the
T242	over \$500,000	excess over \$250,000

T243 Over \$500,000 \$31,250, plus 6.99% of the
T244 excess over \$500,000

416 (ii) Notwithstanding the provisions of subparagraph (D)(i) of this
417 subdivision, for each taxpayer whose Connecticut adjusted gross
418 income exceeds fifty thousand two hundred fifty dollars, the amount of
419 the taxpayer's Connecticut taxable income to which the two-per-cent tax
420 rate applies shall be reduced by one thousand dollars for each two
421 thousand five hundred dollars, or fraction thereof, by which the
422 taxpayer's Connecticut adjusted gross income exceeds said amount.
423 Any such amount of Connecticut taxable income to which, as provided
424 in the preceding sentence, the two-per-cent tax rate does not apply shall
425 be an amount to which the four-and-one-half-per-cent tax rate shall
426 apply.

427 (iii) Each taxpayer whose Connecticut adjusted gross income exceeds
428 one hundred five thousand dollars shall pay, in addition to the tax
429 computed under the provisions of subparagraphs (D)(i) and (D)(ii) of
430 this subdivision, an amount equal to twenty-five dollars for each five
431 thousand dollars, or fraction thereof, by which the taxpayer's
432 Connecticut adjusted gross income exceeds one hundred five thousand
433 dollars, up to a maximum payment of two hundred fifty dollars.

434 (iv) Each taxpayer whose Connecticut adjusted gross income exceeds
435 two hundred thousand dollars shall pay, in addition to the tax
436 computed under the provisions of subparagraphs (D)(i), (D)(ii) and
437 (D)(iii) of this subdivision, an amount equal to ninety dollars for each
438 five thousand dollars, or fraction thereof, by which the taxpayer's
439 Connecticut adjusted gross income exceeds two hundred thousand
440 dollars, up to a maximum payment of two thousand seven hundred
441 dollars.

442 (v) Each taxpayer whose Connecticut adjusted gross income exceeds
443 five hundred thousand dollars shall pay, in addition to the tax
444 computed under the provisions of subparagraphs (D)(i), (D)(ii), (D)(iii)
445 and (D)(iv) of this subdivision, an amount equal to fifty dollars for each

446 five thousand dollars, or fraction thereof, by which the taxpayer's
447 Connecticut adjusted gross income exceeds five hundred thousand
448 dollars, up to a maximum payment of four hundred fifty dollars.

449 (E) For trusts or estates, the rate of tax shall be 6.99% of the
450 Connecticut taxable income.

451 (11) (A) For taxable years commencing on or after January 1, 2028, but
452 prior to January 1, 2029, the Connecticut taxable income brackets set
453 forth in subparagraphs (A)(i), (B)(i), (C)(i) and (D)(i) of subdivision (10)
454 of this subsection shall be adjusted by the percentage increase in
455 inflation and rounded to the nearest dollar.

456 (B) For taxable years commencing on or after January 1, 2029, the
457 income brackets calculated for the preceding taxable year shall be
458 adjusted annually by the percentage increase in inflation and rounded
459 to the nearest dollar.

460 (C) As used in this subdivision, "increase in inflation" means the
461 increase in the chained consumer price index for all urban consumers
462 during the preceding year, calculated on an August over August basis,
463 using data reported by the United States Bureau of Labor Statistics.

464 [(11)] (12) The provisions of this subsection shall apply to resident
465 trusts and estates and, wherever reference is made in this subsection to
466 residents of this state, such reference shall be construed to include
467 resident trusts and estates, provided any reference to a resident's
468 Connecticut adjusted gross income derived from sources without this
469 state or to a resident's Connecticut adjusted gross income shall be
470 construed, in the case of a resident trust or estate, to mean the resident
471 trust or estate's Connecticut taxable income derived from sources
472 without this state and the resident trust or estate's Connecticut taxable
473 income, respectively.

474 Sec. 2. Section 12-702 of the general statutes is repealed and the
475 following is substituted in lieu thereof (*Effective October 1, 2026*):

476 (a) (1) (A) Any person, other than a trust or estate, subject to the tax

477 under this chapter for any taxable year who files under the federal
478 income tax for such taxable year as a married individual filing
479 separately or, for taxable years commencing prior to January 1, 2000,
480 who files income tax for such taxable year as an unmarried individual
481 shall be entitled to a personal exemption of twelve thousand dollars in
482 determining Connecticut taxable income for purposes of this chapter.

483 (B) In the case of any such taxpayer whose Connecticut adjusted gross
484 income for the taxable year exceeds twenty-four thousand dollars, the
485 exemption amount shall be reduced by one thousand dollars for each
486 one thousand dollars, or fraction thereof, by which the taxpayer's
487 Connecticut adjusted gross income for the taxable year exceeds said
488 amount. In no event shall the reduction exceed one hundred per cent of
489 the exemption.

490 (C) (i) For taxable years commencing on or after January 1, 2028, but
491 prior to January 1, 2029, the personal exemption amount set forth in
492 subparagraph (A) of this subdivision and the Connecticut adjusted
493 gross income threshold set forth in subparagraph (B) of this subdivision
494 shall be adjusted by the percentage increase in inflation and rounded to
495 the nearest dollar. In the case of any such taxpayer whose Connecticut
496 adjusted gross income for the taxable year exceeds the income threshold
497 as adjusted pursuant to this clause, the exemption amount shall be
498 reduced by one thousand dollars for each one thousand dollars, or
499 fraction thereof, by which the taxpayer's Connecticut adjusted gross
500 income for the taxable year exceeds such income threshold. In no event
501 shall the reduction exceed one hundred per cent of the exemption.

502 (ii) For taxable years commencing on or after January 1, 2029, the
503 personal exemption amount and the income threshold calculated for the
504 preceding taxable year shall be adjusted annually by the percentage
505 increase in inflation and rounded to the nearest dollar. In the case of any
506 such taxpayer whose Connecticut adjusted gross income for the taxable
507 year exceeds the income threshold as adjusted pursuant to this clause,
508 the exemption amount shall be reduced by one thousand dollars for
509 each one thousand dollars, or fraction thereof, by which the taxpayer's

510 Connecticut adjusted gross income for the taxable year exceeds such
511 income threshold. In no event shall the reduction exceed one hundred
512 per cent of the exemption.

513 (2) For taxable years commencing on or after January 1, 2000, any
514 person, other than a trust or estate, subject to the tax under this chapter
515 for any taxable year who files under the federal income tax for such
516 taxable year as an unmarried individual shall be entitled to a personal
517 exemption in determining Connecticut taxable income for purposes of
518 this chapter as follows:

519 (A) For taxable years commencing on or after January 1, 2000, but
520 prior to January 1, 2001, twelve thousand two hundred fifty dollars. In
521 the case of any such taxpayer whose Connecticut adjusted gross income
522 for the taxable year exceeds twenty-four thousand five hundred dollars,
523 the exemption amount shall be reduced by one thousand dollars for
524 each one thousand dollars, or fraction thereof, by which the taxpayer's
525 Connecticut adjusted gross income for the taxable year exceeds said
526 amount. In no event shall the reduction exceed one hundred per cent of
527 the exemption;

528 (B) For taxable years commencing on or after January 1, 2001, but
529 prior to January 1, 2004, twelve thousand five hundred dollars. In the
530 case of any such taxpayer whose Connecticut adjusted gross income for
531 the taxable year exceeds twenty-five thousand dollars, the exemption
532 amount shall be reduced by one thousand dollars for each one thousand
533 dollars, or fraction thereof, by which the taxpayer's Connecticut
534 adjusted gross income for the taxable year exceeds said amount. In no
535 event shall the reduction exceed one hundred per cent of the exemption;

536 (C) For taxable years commencing on or after January 1, 2004, but
537 prior to January 1, 2007, twelve thousand six hundred twenty-five
538 dollars. In the case of any such taxpayer whose Connecticut adjusted
539 gross income for the taxable year exceeds twenty-five thousand two
540 hundred fifty dollars, the exemption amount shall be reduced by one
541 thousand dollars for each one thousand dollars, or fraction thereof, by
542 which the taxpayer's Connecticut adjusted gross income for the taxable

543 year exceeds said amount. In no event shall the reduction exceed one
544 hundred per cent of the exemption;

545 (D) For taxable years commencing on or after January 1, 2007, but
546 prior to January 1, 2008, twelve thousand seven hundred fifty dollars.
547 In the case of any such taxpayer whose Connecticut adjusted gross
548 income for the taxable year exceeds twenty-five thousand five hundred
549 dollars, the exemption amount shall be reduced by one thousand dollars
550 for each one thousand dollars, or fraction thereof, by which the
551 taxpayer's Connecticut adjusted gross income for the taxable year
552 exceeds said amount. In no event shall the reduction exceed one
553 hundred per cent of the exemption;

554 (E) For taxable years commencing on or after January 1, 2008, but
555 prior to January 1, 2012, thirteen thousand dollars. In the case of any
556 such taxpayer whose Connecticut adjusted gross income for the taxable
557 year exceeds twenty-six thousand dollars, the exemption amount shall
558 be reduced by one thousand dollars for each one thousand dollars, or
559 fraction thereof, by which the taxpayer's Connecticut adjusted gross
560 income for the taxable year exceeds said amount. In no event shall the
561 reduction exceed one hundred per cent of the exemption;

562 (F) For taxable years commencing on or after January 1, 2012, but
563 prior to January 1, 2013, thirteen thousand five hundred dollars. In the
564 case of any such taxpayer whose Connecticut adjusted gross income for
565 the taxable year exceeds twenty-seven thousand dollars, the exemption
566 amount shall be reduced by one thousand dollars for each one thousand
567 dollars, or fraction thereof, by which the taxpayer's Connecticut
568 adjusted gross income for the taxable year exceeds said amount. In no
569 event shall the reduction exceed one hundred per cent of the exemption;

570 (G) For taxable years commencing on or after January 1, 2013, but
571 prior to January 1, 2014, fourteen thousand dollars. In the case of any
572 such taxpayer whose Connecticut adjusted gross income for the taxable
573 year exceeds twenty-eight thousand dollars, the exemption amount
574 shall be reduced by one thousand dollars for each one thousand dollars,
575 or fraction thereof, by which the taxpayer's Connecticut adjusted gross

576 income for the taxable year exceeds said amount. In no event shall the
577 reduction exceed one hundred per cent of the exemption;

578 (H) For taxable years commencing on or after January 1, 2014, but
579 prior to January 1, 2016, fourteen thousand five hundred dollars. In the
580 case of any such taxpayer whose Connecticut adjusted gross income for
581 the taxable year exceeds twenty-nine thousand dollars, the exemption
582 amount shall be reduced by one thousand dollars for each one thousand
583 dollars, or fraction thereof, by which the taxpayer's Connecticut
584 adjusted gross income for the taxable year exceeds said amount. In no
585 event shall the reduction exceed one hundred per cent of the exemption;

586 (I) For taxable years commencing on or after January 1, 2016, but prior
587 to January 1, 2028, fifteen thousand dollars. In the case of any such
588 taxpayer whose Connecticut adjusted gross income for the taxable year
589 exceeds thirty thousand dollars, the exemption amount shall be reduced
590 by one thousand dollars for each one thousand dollars, or fraction
591 thereof, by which the taxpayer's Connecticut adjusted gross income for
592 the taxable year exceeds said amount. In no event shall the reduction
593 exceed one hundred per cent of the exemption; [.]

594 (J) (i) For taxable years commencing on or after January 1, 2028, but
595 prior to January 1, 2029, the personal exemption amount and the
596 Connecticut adjusted gross income threshold set forth in subparagraph
597 (I) of this subdivision shall be adjusted by the percentage increase in
598 inflation and rounded to the nearest dollar. In the case of any such
599 taxpayer whose Connecticut adjusted gross income for the taxable year
600 exceeds the income threshold as adjusted pursuant to this clause, the
601 exemption amount shall be reduced by one thousand dollars for each
602 one thousand dollars, or fraction thereof, by which the taxpayer's
603 Connecticut adjusted gross income for the taxable year exceeds such
604 income threshold. In no event shall the reduction exceed one hundred
605 per cent of the exemption;

606 (ii) For taxable years commencing on or after January 1, 2029, the
607 personal exemption amount and the income threshold calculated for the
608 preceding taxable year shall be adjusted annually by the percentage

609 increase in inflation and rounded to the nearest dollar. In the case of any
610 such taxpayer whose Connecticut adjusted gross income for the taxable
611 year exceeds the income threshold as adjusted pursuant to this clause,
612 the exemption amount shall be reduced by one thousand dollars for
613 each one thousand dollars, or fraction thereof, by which the taxpayer's
614 Connecticut adjusted gross income for the taxable year exceeds such
615 income threshold. In no event shall the reduction exceed one hundred
616 per cent of the exemption.

617 (b) (1) Any person subject to tax under this chapter who files a return
618 under the federal income tax for such taxable year as a head of
619 household, as defined in Section 2(b) of the Internal Revenue Code, shall
620 be entitled to a personal exemption of nineteen thousand dollars in
621 determining Connecticut taxable income for purposes of this chapter.

622 (2) In the case of any such taxpayer whose Connecticut adjusted gross
623 income for the taxable year exceeds thirty-eight thousand dollars, the
624 exemption amount shall be reduced by one thousand dollars for each
625 one thousand dollars, or fraction thereof, by which the taxpayer's
626 Connecticut adjusted gross income for the taxable year exceeds the said
627 amount. In no event shall the reduction exceed one hundred per cent of
628 the exemption.

629 (3) (A) For taxable years commencing on or after January 1, 2028, but
630 prior to January 1, 2029, the personal exemption amount set forth in
631 subdivision (1) of this subsection and the Connecticut adjusted gross
632 income threshold set forth in subdivision (2) of this subsection shall be
633 adjusted by the percentage increase in inflation and rounded to the
634 nearest dollar. In the case of any such taxpayer whose Connecticut
635 adjusted gross income for the taxable year exceeds the income threshold
636 as adjusted pursuant to this subparagraph, the exemption amount shall
637 be reduced by one thousand dollars for each one thousand dollars, or
638 fraction thereof, by which the taxpayer's Connecticut adjusted gross
639 income for the taxable year exceeds such income threshold. In no event
640 shall the reduction exceed one hundred per cent of the exemption.

641 (B) For taxable years commencing on or after January 1, 2029, the

642 personal exemption amount and the income threshold calculated for the
643 preceding taxable year shall be adjusted annually by the percentage
644 increase in inflation and rounded to the nearest dollar. In the case of any
645 such taxpayer whose Connecticut adjusted gross income for the taxable
646 year exceeds the income threshold as adjusted pursuant to this
647 subparagraph, the exemption amount shall be reduced by one thousand
648 dollars for each one thousand dollars, or fraction thereof, by which the
649 taxpayer's Connecticut adjusted gross income for the taxable year
650 exceeds such income threshold. In no event shall the reduction exceed
651 one hundred per cent of the exemption.

652 (c) (1) Any husband and wife subject to tax under this chapter for any
653 taxable year who file a return under the federal income tax for such
654 taxable year as married individuals filing a joint return or any person
655 who files a return for such taxable year as a surviving spouse, as defined
656 in Section 2(a) of the Internal Revenue Code, shall be entitled to a single
657 personal exemption of twenty-four thousand dollars in determining
658 Connecticut taxable income for purposes of this chapter. Any husband
659 and wife who elect to file a joint return under the federal income tax for
660 any taxable year shall be required to file jointly with respect to such
661 taxable year for purposes of this chapter, in which event their tax
662 liability under this chapter shall be joint and several, except as otherwise
663 provided in section 12-702a, and any husband and wife who elect to file
664 separately under the federal income tax for any taxable year shall be
665 required to file separately with respect to such taxable year for purposes
666 of this chapter, provided (A) if either the husband or wife is a resident
667 and the other is a nonresident, separate taxes shall be determined on
668 their separate Connecticut taxable incomes on separate forms as
669 married individuals filing separately unless such husband and wife
670 determine their federal taxable income jointly and both elect to
671 determine their joint Connecticut taxable income as if both were
672 residents, or (B) if any husband and wife, both of whom are
673 nonresidents, elect to file a joint return under the federal income tax for
674 any taxable year and only one of them has income derived from or
675 connected with sources within this state during such taxable year, only
676 the spouse with income derived from or connected with sources within

677 this state shall be required to file a return in this state and, if only the
678 spouse with income derived from or connected with this state files such
679 a return in this state, a separate tax shall be determined on such spouse's
680 separate Connecticut taxable income as a married individual filing
681 separately unless such husband and wife both elect to determine their
682 joint Connecticut taxable income as if both had income derived from or
683 connected with sources within this state.

684 (2) In the case of any such taxpayer whose Connecticut adjusted gross
685 income for the taxable year exceeds forty-eight thousand dollars, the
686 exemption amount shall be reduced by one thousand dollars for each
687 one thousand dollars, or fraction thereof, by which the taxpayer's
688 Connecticut adjusted gross income for the taxable year exceeds the said
689 amount. In no event shall the reduction exceed one hundred per cent of
690 the exemption.

691 (3) (A) For taxable years commencing on or after January 1, 2028, but
692 prior to January 1, 2029, the personal exemption amount set forth in
693 subdivision (1) of this subsection and the Connecticut adjusted gross
694 income threshold set forth in subdivision (2) of this subsection shall be
695 adjusted by the percentage increase in inflation and rounded to the
696 nearest dollar. In the case of any such taxpayer whose Connecticut
697 adjusted gross income for the taxable year exceeds the income threshold
698 as adjusted pursuant to this subparagraph, the exemption amount shall
699 be reduced by one thousand dollars for each one thousand dollars, or
700 fraction thereof, by which the taxpayer's Connecticut adjusted gross
701 income for the taxable year exceeds such income threshold. In no event
702 shall the reduction exceed one hundred per cent of the exemption.

703 (B) For taxable years commencing on or after January 1, 2029, the
704 personal exemption amount and the income threshold calculated for the
705 preceding taxable year shall be adjusted annually by the percentage
706 increase in inflation and rounded to the nearest dollar. In the case of any
707 such taxpayer whose Connecticut adjusted gross income for the taxable
708 year exceeds the income threshold as adjusted pursuant to this
709 subparagraph, the exemption amount shall be reduced by one thousand

710 dollars for each one thousand dollars, or fraction thereof, by which the
 711 taxpayer's Connecticut adjusted gross income for the taxable year
 712 exceeds such income threshold. In no event shall the reduction exceed
 713 one hundred per cent of the exemption.

714 (d) As used in this section, "increase in inflation" has the same
 715 meaning as provided in subdivision (11) of subsection (a) of section 12-
 716 700, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	12-700(a)
Sec. 2	October 1, 2026	12-702

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Revenue Serv., Dept.	GF - Revenue Loss	None	18.8 million

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which indexes the state personal income tax brackets and personal exemption amounts to inflation beginning with the 2028 income year, results in a revenue loss of \$18.8 million in FY 28.¹

The Out Years

State Impact:

Agency Affected	Fund-Effect	FY 29 \$	FY 30 \$	FY 31 \$
Revenue Serv., Dept.	GF - Revenue Loss	68.8 million	118.8 million	168.8 million

Note: GF=General Fund

Municipal Impact: None

¹ The policy would compound annually and could grow to a revenue loss of \$268.8 million by FY 33, depending on actual rates of inflation in the future.

OLR Bill Analysis

sHB 5444

AN ACT CONCERNING THE INDEXING OF CERTAIN PERSONAL INCOME TAX THRESHOLDS AND EXEMPTION AMOUNTS.

SUMMARY

This bill requires state income tax brackets to be annually adjusted for inflation and rounded to the next dollar, starting with the 2028 tax year. The table below shows the current tax rates and brackets by filing status. Under the bill, the tax brackets must be adjusted each year by the increase in the chained consumer price index for all urban consumers during the preceding year, calculated on an August over August basis using U.S. Bureau of Labor Statistics data.

Table: State Income Tax Rates and Brackets

Tax Rate	Connecticut Taxable Income (\$)		
	Single and Married Filing Separately	Heads of Household	Married Filing Jointly
2%	0 to 10,000	0 to 16,000	0 to 20,000
4.5%	10,001 to 50,000	16,001 to 80,000	20,001 to 100,000
5.5%	50,001 to 100,000	80,001 to 160,000	100,001 to 200,000
6%	100,001 to 200,000	160,001 to 320,000	200,001 to 400,000
6.5%	200,001 to 250,000	320,001 to 400,000	400,001 to 500,000
6.9%	250,001 to 500,000	400,001 to 800,000	500,001 to 1,000,000
6.99%	> 500,000	> 800,000	> 1,000,000

The bill also requires state income tax personal exemption amounts and income thresholds to be adjusted for inflation in this way, starting with the 2028 tax year. The next table shows the current personal exemption amounts by filing status and the income thresholds above which the exemption starts phasing out. As under current law, the bill requires the inflation-adjusted exemption amounts to be reduced by \$1,000 for each \$1,000 of adjusted gross income (AGI) over the specified threshold.

Table: Personal Exemptions

Filing Status	Maximum Personal Exemption (\$)	Maximum Exemption Threshold (\$) CT AGI ≤
Single	15,000	30,000
Married Filing Separately	12,000	24,000
Head of Household	19,000	38,000
Married Filing Jointly	24,000	48,000

EFFECTIVE DATE: October 1, 2026

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 53 Nay 0 (03/31/2026)