



General Assembly

Amendment

February Session, 2026

LCO No. 5251



Offered by:
SEN. SAMPSON, 16th 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4 repealed and the following is substituted in lieu thereof (*Effective July 1,*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. The
30 Insurance Department shall include a link to the report on the Insurance
31 Department's Internet web site, and the Secretary of the Office of Policy
32 and Management shall include a link to the report on the Internet web
33 site of the Office of Policy and Management.

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

49 request, details of any and all reinsurance contracts associated with the
50 policy at issue, including, but not limited to, participation percentage of
51 each reinsurer, by date of contract.

52 [(2)] (4) (A) Any insurance company, fraternal benefit society,
53 hospital service corporation, medical service corporation or health care
54 center that files a rate filing for an increase in premium rates for a long-
55 term care policy that is for twenty per cent or more shall spread the
56 increase over a period of not less than three years and not file a rate filing
57 for an increase in premium rates for the long-term care policy during
58 the period chosen. Such company, society, corporation or center shall
59 use a periodic rate increase that is actuarially equivalent to a single rate
60 increase and a current interest rate for the period chosen.

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

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

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

75 (iii) Include a statement in such notice that if a policyholder fails to
76 elect a reduction in policy benefits or coverage that reflects the
77 minimum set of affordable benefit options developed by the
78 commissioner pursuant to section 38a-475a by the end of the notice
79 period and has not cancelled the policy, the policyholder will be deemed

80 to have elected to retain the existing policy benefits.

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

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

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

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

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

104 Sec. 3. Subsection (b) of section 38a-528 of the general statutes is
105 repealed and the following is substituted in lieu thereof (*Effective July 1,*
106 *2026*):

107 (b) (1) No insurance company, fraternal benefit society, hospital
108 service corporation, medical service corporation or health care center
109 may deliver or issue for delivery any long-term care policy or certificate

110 that has a loss ratio of less than sixty-five per cent for any group long-
111 term care policy. An issuer shall not use or change premium rates for a
112 long-term care policy or certificate unless the rates have been filed with
113 the commissioner. Deviations in rates to reflect policyholder experience
114 shall be permitted, provided each policy form shall meet the loss ratio
115 requirement of this section. Any rate filings or rate revisions shall
116 demonstrate that anticipated claims in relation to premiums when
117 combined with actual experience to date can be expected to comply with
118 the loss ratio requirement of this section. On an annual basis, an insurer
119 shall submit to the commissioner an actuarial certification of the
120 insurer's continuing compliance with the loss ratio requirement of this
121 section. Any rate or rate revision may be disapproved if the
122 commissioner determines that the loss ratio requirement will not be met
123 over the lifetime of the policy form using reasonable assumptions.

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

139 [(2)] (3) (A) Any insurance company, fraternal benefit society,
140 hospital service corporation, medical service corporation or health care
141 center that files a rate filing for an increase in premium rates for a long-
142 term care policy that is for twenty per cent or more shall spread the

143 increase over a period of not less than three years and not file a rate filing
144 for an increase in premium rates for the long-term care policy during
145 the period chosen. Such company, society, corporation or center shall
146 use a periodic rate increase that is actuarially equivalent to a single rate
147 increase and a current interest rate for the period chosen.

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

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

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

162 (iii) Include a statement in such notice that if a certificate holder fails
163 to 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 by the end of the notice
166 period and has not cancelled the policy, the certificate holder will be
167 deemed to have elected to retain the existing policy benefits.

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

170 (NEW) (h) (1) Whenever the Insurance Commissioner has reason to
171 believe that any insurance company, fraternal benefit society, hospital
172 service corporation, medical service corporation or health care center is
173 operating in violation of the provisions of this section, the commissioner

174 shall have the power to conduct an investigation pursuant to section
175 38a-16.

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

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

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

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

195 (B) There shall be subtracted therefrom:

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

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

201 (iii) To the extent properly includable in gross income for federal
202 income tax purposes, the amount of any refund or credit for

203 overpayment of income taxes imposed by this state, or any other state
204 of the United States or a political subdivision thereof, or the District of
205 Columbia;

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

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

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

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

230 (viii) Any interest on indebtedness incurred or continued to purchase
231 or carry obligations or securities the interest on which is subject to tax
232 under this chapter but exempt from federal income tax, to the extent that
233 such interest on indebtedness is not deductible in determining federal

234 adjusted gross income and is attributable to a trade or business carried
235 on by such individual;

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

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

259 (II) For taxable years commencing prior to January 1, 2019, for a
260 person who files a return under the federal income tax as an unmarried
261 individual whose federal adjusted gross income for such taxable year is
262 fifty thousand dollars or more, or as a married individual filing
263 separately whose federal adjusted gross income for such taxable year is
264 fifty thousand dollars or more, or for a husband and wife who file a
265 return under the federal income tax as married individuals filing jointly
266 whose federal adjusted gross income from such taxable year is sixty

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

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

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

300 difference between the amount of Social Security benefits includable for
301 federal income tax purposes and the lesser of twenty-five per cent of the
302 Social Security benefits received during the taxable year, or twenty-five
303 per cent of the excess described in Section 86(b)(1) of the Internal
304 Revenue Code;

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

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

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

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

322 (xv) To the extent properly includable in the gross income for federal
323 income tax purposes of a designated beneficiary, as defined in section
324 3-123aa, interest, dividends or capital gains earned on contributions to
325 accounts established for the designated beneficiary pursuant to the
326 Connecticut Homecare Option Program for the Elderly established by
327 sections 3-123aa to 3-123ff, inclusive;

328 (xvi) To the extent properly includable in gross income for federal
329 income tax purposes, any income received from the United States
330 government as retirement pay for a retired member of (I) the Armed

331 Forces of the United States, as defined in Section 101 of Title 10 of the
332 United States Code, or (II) the National Guard, as defined in Section 101
333 of Title 10 of the United States Code;

334 (xvii) To the extent properly includable in gross income for federal
335 income tax purposes for the taxable year, any income from the discharge
336 of indebtedness in connection with any reacquisition, after December
337 31, 2008, and before January 1, 2011, of an applicable debt instrument or
338 instruments, as those terms are defined in Section 108 of the Internal
339 Revenue Code, as amended by Section 1231 of the American Recovery
340 and Reinvestment Act of 2009, to the extent any such income was added
341 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
342 this subdivision in computing Connecticut adjusted gross income for a
343 preceding taxable year;

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

348 (xix) To the extent properly includable in gross income for federal
349 income tax purposes, (I) for the taxable year commencing January 1,
350 2015, ten per cent of the income received from the state teachers'
351 retirement system, (II) for the taxable years commencing January 1,
352 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
353 received from the state teachers' retirement system, and (III) for the
354 taxable year commencing January 1, 2021, and each taxable year
355 thereafter, fifty per cent of the income received from the state teachers'
356 retirement system or, for a taxpayer whose federal adjusted gross
357 income does not exceed the applicable threshold under clause (xx) of
358 this subparagraph, the percentage pursuant to said clause of the income
359 received from the state teachers' retirement system, whichever
360 deduction is greater;

361 (xx) To the extent properly includable in gross income for federal
362 income tax purposes, except for retirement benefits under clause (iv) of

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

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

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

403 (xxiii) The amount of lost wages and medical, travel and housing
404 expenses, not to exceed ten thousand dollars in the aggregate, incurred
405 by a taxpayer during the taxable year in connection with the donation

406 to another person of an organ for organ transplantation occurring on or
407 after January 1, 2017;

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

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

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

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

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

455 (xxix) To the extent properly includable in gross income for federal
 456 income tax purposes, for married individuals who file a return under
 457 the federal income tax as married individuals filing jointly whose
 458 federal adjusted gross income for such taxable year is less than one
 459 hundred fifty thousand dollars, (I) for the taxable year commencing

460 January 1, 2024, fifty per cent of any distribution from an individual
 461 retirement account other than a Roth individual retirement account, (II)
 462 for the taxable year commencing January 1, 2025, seventy-five per cent
 463 of any distribution from an individual retirement account other than a
 464 Roth individual retirement account, and (III) for the taxable year
 465 commencing January 1, 2026, and each taxable year thereafter, any
 466 distribution from an individual retirement account other than a Roth
 467 individual retirement account. The subtraction under this clause shall
 468 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% |

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

479 (xxxi) For the taxable year commencing January 1, 2023, and each
 480 taxable year thereafter, for a taxpayer licensed under the provisions of

481 chapter 420f or 420h, the amount of ordinary and necessary expenses
482 that would be eligible to be claimed as a deduction for federal income
483 tax purposes under Section 162(a) of the Internal Revenue Code but that
484 are disallowed under Section 280E of the Internal Revenue Code
485 because marijuana is a controlled substance under the federal
486 Controlled Substance Act;

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

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

495 (xxxiv) Contributions to an ABLÉ account established pursuant to
496 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for
497 each individual taxpayer or ten thousand dollars for taxpayers filing a
498 joint return;

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

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

510 (I) To the extent not deductible in determining federal adjusted gross
511 income, for the taxable year commencing January 1, 2027, an amount

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

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

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

541 (xxxvii) To the extent properly includable in gross income for federal
542 income tax purposes, for the taxable year commencing January 1, 2027,
543 and each taxable year thereafter, for an account holder who is a qualified
544 beneficiary of a first-time homebuyer savings account, as those terms

545 are defined in section 12-724b, and who files a return under the federal
 546 income tax as an unmarried individual, a married individual filing
 547 separately or a head of household, whose federal adjusted gross income
 548 for the taxable year is less than one hundred twenty-five thousand
 549 dollars or who files a return under the federal income tax as married
 550 individuals filing jointly whose federal adjusted gross income for the
 551 taxable year is less than two hundred fifty thousand dollars, an amount
 552 equal to any withdrawal from such account that is used to pay or
 553 reimburse such qualified beneficiary for eligible costs, as defined in
 554 section 12-724b, incurred by the qualified beneficiary; and

555 (xxxviii) For the taxable year commencing January 1, 2026, and each
 556 taxable year thereafter, the amount of any premiums paid in the taxable
 557 year for a long-term care insurance policy issued pursuant to section
 558 38a-475, 38a-501, as amended by this act, or 38a-528, as amended by this
 559 act."

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