



House of Representatives

File No. 611

General Assembly

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Substitute House Bill No. 5406
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 13, 2026

**AN ACT CONCERNING ASSORTED MEASURES RECOGNIZING AND
HONORING THE HEROISM OF VETERANS AND MEMBERS OF THE
ARMED FORCES AND MAKING VARIOUS REVISIONS TO STATUTES
RELATED TO VETERANS' AND MILITARY AFFAIRS.**

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

1 Section 1. (NEW) (*Effective July 1, 2026*) On and after July 1, 2026, the
2 Commissioner of Veterans Affairs shall post in a conspicuous place on
3 the Internet web site of the Department of Veterans Affairs:

4 (1) A plain-language warning about individuals who seek to act in
5 violation of 38 USC Chapter 59, as amended from time to time, including
6 individuals seeking to act as agents or attorneys in the preparation,
7 presentation or prosecution of any claim under laws administered by
8 the United States Secretary of Veterans Affairs without having been
9 recognized for such purposes by said secretary;

10 (2) A link to a United States Department of Veterans Affairs online
11 tool through which individuals lacking the recognition described in

12 subdivision (1) of this section may be reported;

13 (3) A link to a United States Department of Veterans Affairs online
14 tool through which agents, attorneys or other entities that are
15 recognized by the United States Secretary of Veterans Affairs for the
16 preparation, presentation or prosecution of any claim under laws
17 administered by said secretary may be searched;

18 (4) A link to a United States Department of Veterans Affairs Internet
19 web site or online tool that provides final decisions on discipline by the
20 United States Secretary of Veterans Affairs of agents, attorneys and
21 entities described in subdivision (3) of this section for violations of 38
22 USC Chapter 59, as amended from time to time; and

23 (5) A plain-language message discouraging veterans from sharing
24 with anyone such veterans' United States Department of Veterans
25 Affairs account login credentials or bank account login credentials, such
26 as usernames or passwords.

27 Sec. 2. Subsection (b) of section 27-100f of the general statutes is
28 repealed and the following is substituted in lieu thereof (*Effective October*
29 *1, 2026*):

30 (b) (1) On and after July 1, 2013, the Commissioner of Veterans Affairs
31 [, or the commissioner's designee,] shall, within available
32 appropriations, publish a list of qualified veterans' charitable
33 organizations. [The commissioner shall place any qualified veterans'
34 charitable organization on such list for a period of three years.
35 Organizations]

36 (2) An organization may apply and reapply [to the commissioner] for
37 inclusion on the list described in subdivision (1) of this subsection by
38 submitting [information regarding such organization's status to the
39 commissioner, on a form prescribed by the commissioner, and] to the
40 commissioner, in a form and manner prescribed by the commissioner,
41 (A) a complete copy of such organization's most recently filed Internal
42 Revenue Service Form 990, including all parts and schedules, (B) proof

43 of such organization's status as a tax exempt organization under Section
44 501(c) of the Internal Revenue Code of 1986, or any subsequent
45 corresponding internal revenue code of the United States, as amended
46 from time to time, and (C) any additional information the commissioner
47 deems necessary to determine whether such organization constitutes a
48 qualified veterans' charitable organization. [A qualified veterans'
49 charitable organization is one which: (1) Holds itself out to be
50 established for any benevolent, educational, philanthropic, humane,
51 scientific, patriotic, social welfare or advocacy purpose relating to or on
52 behalf of veterans; and (2) has been (A) a nonstock corporation,
53 organized under chapter 602, or any predecessor thereto, for three or
54 more years, or (B) a tax exempt organization under Section 501(c) of the
55 Internal Revenue Code of 1986, or any subsequent corresponding
56 internal revenue code of the United States, as amended from time to
57 time, for three or more consecutive years.]

58 (3) If the commissioner approves the application or reapplication of
59 an organization under subdivision (2) of this subsection and accordingly
60 determines that such organization constitutes a qualified veterans'
61 charitable organization, the commissioner shall include such
62 organization on the list described in subdivision (1) of this subsection,
63 except that the commissioner may temporarily or permanently remove
64 such organization from such list for good cause.

65 (4) The list of qualified veterans' charitable organizations, a link to
66 each such organization's Internet web site [,] and the qualifications for
67 inclusion on such list, as set forth in [subdivisions (1) and (2) of this
68 subsection] subparagraphs (A), (B) and (C) of subdivision (2) of this
69 subsection, shall be published on the informational Internet web site
70 established in this section and shall bear a disclaimer as follows: "This
71 list is prepared for the public solely for the purpose of information. The
72 state of Connecticut provides no warranty about the content or accuracy
73 of the content herein."

74 Sec. 3. Subsection (b) of section 27-102l of the 2026 supplement to the
75 general statutes is repealed and the following is substituted in lieu

76 thereof (*Effective October 1, 2026*):

77 (b) (1) The commissioner may appoint a manager to administer an
78 Office of Advocacy and Assistance for the aid and benefit of veterans
79 and their spouses, eligible dependents and family members. The office
80 shall have a staff of not [less] fewer than nineteen men and women,
81 including not [less] fewer than fourteen veterans' service officers, and
82 not [less] fewer than three clerical personnel. The manager and veterans'
83 service officers shall be veterans, as defined in subsection (a) of section
84 27-103, or veterans who were awarded the armed forces expeditionary
85 medal for service by the armed forces.

86 (2) (A) The manager shall develop a training module on (i) assisting
87 and serving [women] veterans with regard to any available state or
88 federal services or benefits, and (ii) identifying and advising such
89 veterans of any community or nonprofit programs focused on assisting
90 and serving such veterans and of any other charitable or social service
91 organizations that may be able to provide assistance with services or
92 benefits. The manager shall dedicate a portion of such training module
93 to assisting, serving and advising women veterans and to addressing
94 issues unique to women veterans. The manager shall also compile a list
95 of any state and local resources, including and in addition to such
96 community or nonprofit programs and charitable or social service
97 organizations, that may be able to provide assistance to veterans in need
98 of such assistance, which list shall be included in such training module
99 and in the training course conducted pursuant to subdivision (3) of this
100 subsection. The manager shall hold and provide instruction for an
101 annual training session, in accordance with such module, to each
102 veterans' service officer and any member of a municipal veterans
103 advisory committee, director of municipal veterans services or
104 municipal veterans representative, as described in subsection (c) of
105 section 27-135, or representative from an Operation Academic Support
106 for Incoming Service Members center at a public institution of higher
107 education in this state.

108 (B) At least one of the veterans' service officers shall be a woman

109 having a demonstrated interest in the concerns of women veterans, who
110 shall be responsible for addressing those concerns, and, effective upon
111 the next opening of a veterans' service officer position occurring on or
112 after July 1, 2010, at least two of the veterans' service officers shall be
113 individuals having bilingual proficiency in English and Spanish, within
114 existing authorized positions. At least two of the veterans' service
115 officers shall, in addition to carrying out the duties under this section,
116 be responsible for overseeing and supporting municipalities'
117 compliance with the provisions of section 27-135. Each veterans' service
118 officer shall (i) successfully complete a course in veterans' benefits not
119 later than one year after commencement of employment, (ii) attend the
120 training session described in subparagraph (A) of this subdivision, and
121 (iii) be assigned to one of the five congressional districts of the state.

122 (3) The office staff shall, at least twice annually, conduct a training
123 course for any member of a municipal veterans advisory committee,
124 director of municipal veterans services or municipal veterans
125 representative. The office staff shall include in such training course (A)
126 a summary of (i) state and federal services and benefits [,] for veterans,
127 community or nonprofit programs focused on assisting and serving
128 veterans and other charitable or social service organizations that may be
129 able to provide assistance with services or benefits, (ii) the requirements
130 under section 27-135, and (iii) any assistance the office staff may provide
131 to any such member, director or representative related to such
132 requirements, and (B) the list of state and local resources compiled by
133 the manager pursuant to subparagraph (A) of subdivision (2) of this
134 subsection.

135 (4) (A) The office shall develop a written outreach plan identifying (i)
136 strategies for conducting outreach to veterans and their spouses, eligible
137 dependents and family members for purposes of providing assistance
138 in claims for veterans' services or benefits, and (ii) to the extent possible,
139 specific events and other opportunities to provide such assistance that
140 are sponsored by the office or in which the office is participating. The
141 office shall update such written outreach plan as necessary to improve
142 the efficacy of its outreach efforts.

143 (B) The manager and each veterans' service officer shall electronically
144 track information relating to outreach conducted or attended by the
145 office, including, but not limited to, the title or type of any outreach
146 event conducted or attended and the number of veterans or their
147 spouses, eligible dependents or family members to whom substantive
148 services or referrals were provided.

149 (C) The office shall utilize the notifications received from the
150 administrator of each nursing home and assisted living facility in the
151 state, pursuant to subdivision (2) of subsection (c) of this section, to
152 develop an annual schedule for each veterans' service officer to visit
153 nursing homes and assisted living facilities. The office shall compile any
154 information collected as a result of such visits and provide quarterly
155 reports on such information to the Board of Trustees for the Department
156 of Veterans Affairs.

157 (D) The office shall provide quarterly reports to the Board of Trustees
158 for the Department of Veterans Affairs on (i) concerns raised by veterans
159 or their spouses, eligible dependents or family members, which
160 concerns shall be summarized by type, frequency and resolution, (ii)
161 petitions filed by veterans or their spouses, eligible dependents or
162 family members received by the commissioner under section 27-102l(d)-
163 54 of the regulations of Connecticut state agencies for the four preceding
164 months, and (iii) copies of any such petitions.

165 (E) The office shall publish on the Internet web site of the Department
166 of Veterans Affairs the list of state and local resources compiled by the
167 manager pursuant to subparagraph (A) of subdivision (2) of this
168 subsection.

169 Sec. 4. (NEW) (*Effective October 1, 2026*) (a) As used in this section:

170 (1) "Administrator" means the administrator of the Soldiers, Sailors
171 and Marines Fund.

172 (2) (A) "Dental services" includes (i) preventive and diagnostic
173 services, such as biannual examinations and prophylaxis, (ii) restorative

174 services, such as fillings, root canals and crowns, (iii) prosthetics, such
175 as partial and complete dentures, and (iv) oral surgery, such as
176 extractions.

177 (B) "Dental services" does not include (i) dental implants, (ii) fixed
178 bridges, (iii) orthodontics, (iv) cosmetic services, such as whitening or
179 veneers, or (v) telehealth services.

180 (3) "Eligible veteran" means any veteran who (A) is a resident of the
181 state, (B) has a service-connected disability rating of less than one
182 hundred per cent and is not receiving dental care from the United States
183 Department of Veterans Affairs, (C) has a household income at or below
184 four hundred per cent of the federal poverty level, and (D) demonstrates
185 all other proof of eligibility for aid from the fund, as set forth in the
186 American Legion bylaws made available online pursuant to subdivision
187 (1) of section 27-138a of the general statutes.

188 (4) "Soldiers, Sailors and Marines Fund" or "fund" means the Soldiers,
189 Sailors and Marines Fund described in sections 27-138 to 27-140,
190 inclusive, of the general statutes, as amended by this act.

191 (5) "Provider" means a dental practice, dental clinic or person licensed
192 to practice dentistry or dental medicine in the state.

193 (6) "Veteran" has the same meaning as provided in section 27-103 of
194 the general statutes.

195 (b) There is established a Veterans Dental Care Access Program, to be
196 operated by the administrator of the Soldiers, Sailors and Marines Fund
197 with moneys from the fund, for the purpose of assisting eligible veterans
198 with receiving dental services from providers that participate in such
199 program. The administrator shall enter into a memorandum of
200 understanding with a state-wide organization that represents licensed
201 dentists to (1) identify such providers, and (2) coordinate in the
202 operation of such program by assisting in the implementation of the
203 provisions of this section, including, but not limited to, processing
204 applications, making referrals to participating providers, reviewing

205 treatment plans and notifying such providers regarding such treatment
206 plans.

207 (c) On and after January 1, 2027, any eligible veteran may submit to
208 the administrator an application, in the form available at town clerks'
209 offices pursuant to subdivision (2) of section 27-138a of the general
210 statutes or in such other form and manner as may be prescribed by the
211 administrator, for assistance through the program established in
212 subsection (b) of this section. Not later than ten days after receipt of any
213 such application, the administrator shall verify whether the applicant
214 satisfies all criteria for program eligibility and shall notify such
215 applicant of the administrator's determination as to approval or
216 rejection of such application. Any such approval shall be for two years,
217 after which an applicant may reapply pursuant to the provisions of this
218 subsection.

219 (d) Not later than thirty days after an approval under subsection (c)
220 of this section, the administrator shall refer the eligible veteran to a
221 participating provider for the purpose of scheduling an appointment to
222 establish or continue, as applicable, dental care and to develop a
223 treatment plan for such eligible veteran. The provider shall set forth in
224 such treatment plan the dental services recommended for the eligible
225 veteran and shall submit such treatment plan to the administrator for
226 review. Not later than ten days after receipt of a treatment plan, the
227 administrator shall approve or modify such treatment plan and notify
228 the provider of such approval or modification. A provider may provide
229 dental services to an eligible veteran only after such notification and
230 only in accordance with such approval or modification.

231 (e) (1) (A) Except as provided in subparagraph (B) of this subdivision,
232 not later than five days after the provision of dental services to an
233 eligible veteran, a provider shall invoice the fund for such dental
234 services. Not later than thirty days after receiving such invoice, the
235 administrator shall remit payment to the provider for such dental
236 services, subject to the provisions of subdivision (2) of this subsection,
237 and shall advise such provider of the eligible veteran's status with

238 regard to the maximum annual benefit described in said subdivision.

239 (B) If an eligible veteran has coverage under a health insurance plan
240 for any of the dental services provided under subsection (d) of this
241 section, the provider shall invoice the health insurer for such dental
242 services and may only invoice the fund for the remaining balance on
243 such dental services after exhausting all such coverage.

244 (2) The amount of dental services received by an eligible veteran for
245 which the administrator may remit payment under subparagraph (A) of
246 subdivision (1) of this subsection shall not exceed three thousand dollars
247 per calendar year. If an eligible veteran receives dental services in a
248 calendar year in an amount that exceeds three thousand dollars, the
249 administrator shall refer such eligible veteran to the state-wide
250 organization described in subsection (b) of this section to explore
251 alternative sources of moneys to address such excess amount.

252 (f) The total costs to the fund for the operation of the program,
253 including, but not limited to, the aggregate payments remitted to
254 providers for dental services received by eligible veterans and any other
255 expenses permitted by law that may be necessary to implement the
256 provisions of this section, shall not exceed one million dollars per fiscal
257 year.

258 (g) Not later than January 15, 2030, and annually thereafter, the
259 administrator, in consultation with the state-wide organization with
260 which the administrator entered into a memorandum of understanding
261 pursuant to subsection (b) of this section, shall submit a report on the
262 performance of the Veterans Dental Care Access Program, and any
263 recommendations for improvement thereof, to the joint standing
264 committees of the General Assembly having cognizance of matters
265 relating to veterans' and military affairs and public health, in accordance
266 with the provisions of section 11-4a of the general statutes.

267 Sec. 5. Section 27-140 of the general statutes is repealed and the
268 following is substituted in lieu thereof (*Effective October 1, 2026*):

269 All money so paid to and received by the American Legion shall be
270 expended by it in furnishing temporary income; subsistence items such
271 as food, wearing apparel, shelter and related expenses; medical or
272 surgical aid or care; dental services in accordance with section 4 of this
273 act; or other relief (1) to, or in bearing the funeral expenses of, soldiers,
274 sailors or marines (A) (i) who performed service in time of war, as
275 defined in section 27-103, in any branch of the military service of the
276 United States, including the Connecticut National Guard, or (ii) who
277 were engaged in any of the wars waged by the United States during said
278 periods in the forces of any government associated with the United
279 States, (B) who are or were veterans, as defined in section 27-103, and
280 (C) who were citizens or resident aliens of the state at the time of
281 entering said armed forces of the United States, including the
282 Connecticut National Guard, or of any such government, (2) to their
283 spouses who are living with them, (3) to their widows or widowers who
284 were living with them at the time of death, or (4) to dependent children
285 under eighteen years of age, who may be in need of the same. All such
286 payments shall be made by the American Legion under authority of its
287 bylaws, which bylaws shall set forth the procedure for proof of
288 eligibility for such aid, provided payments made for the care and
289 treatment of any person entitled to the benefits provided for herein [.] at
290 any hospital receiving aid from the General Assembly, unless special
291 care and treatment are required, shall be in accordance with the
292 provisions of section 17b-239, and provided further the sum expended
293 for the care or treatment of such person at any other place than a state-
294 aided hospital shall in no case exceed the actual cost of supporting such
295 person at the Healthcare Center in Rocky Hill maintained by the
296 Department of Veterans Affairs, unless special care and treatment are
297 required, when such sum as may be determined by the treasurer of such
298 organization may be paid therefor. Upon the completion of the trust
299 provided for in section 27-138, the principal fund shall revert to the State
300 Treasury.

301 Sec. 6. (*Effective July 1, 2026*) (a) There is established a task force to
302 study available means of encouraging nursing homes in the state to

303 become federally contracted veterans nursing homes and increase the
304 availability of nursing home care to veterans eligible for and in need of
305 such care. The task force shall consider financial incentives, including,
306 but not limited to, assistance to supplement reimbursement for such
307 care and tax credits, and other manners of promoting such nursing
308 homes to veterans eligible for care that is covered by the United States
309 Department of Veterans Affairs. As used in this section, "nursing home"
310 and "federally contracted veterans nursing home" have the same
311 meanings as provided in section 19a-533 of the general statutes.

312 (b) The task force shall consist of the following members:

313 (1) One appointed by the speaker of the House of Representatives;

314 (2) One appointed by the president pro tempore of the Senate;

315 (3) One appointed by the majority leader of the House of
316 Representatives;

317 (4) One appointed by the majority leader of the Senate;

318 (5) One appointed by the minority leader of the House of
319 Representatives;

320 (6) One appointed by the minority leader of the Senate; and

321 (7) The Commissioner of Veterans Affairs, or the commissioner's
322 designee.

323 (c) Any member of the task force appointed under subdivision (1),
324 (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
325 of the General Assembly.

326 (d) All initial appointments to the task force shall be made not later
327 than January 1, 2027. Any vacancy shall be filled by the appointing
328 authority.

329 (e) The speaker of the House of Representatives and the president pro

330 tempore of the Senate shall select the chairpersons of the task force from
331 among the members of the task force. Such chairpersons shall schedule
332 the first meeting of the task force, which shall be held not later than
333 February 1, 2027.

334 (f) The administrative staff of the joint standing committee of the
335 General Assembly having cognizance of matters relating to veterans'
336 and military affairs shall serve as administrative staff of the task force.

337 (g) Not later than January 1, 2029, the task force shall submit a report
338 on its findings and recommendations to the joint standing committee of
339 the General Assembly having cognizance of matters relating to veterans'
340 and military affairs, in accordance with the provisions of section 11-4a
341 of the general statutes. The task force shall terminate on the date that it
342 submits such report or January 1, 2029, whichever is later.

343 Sec. 7. Section 27-102a of the general statutes is repealed and the
344 following is substituted in lieu thereof (*Effective October 1, 2026*):

345 (a) Notwithstanding any provisions of the general statutes with
346 respect to annual or biennial license or registration fees or occupational
347 taxes, any resident of Connecticut on active duty with the armed forces
348 of the United States shall be exempt from the payment of such fees or
349 taxes during [his] such resident's period of active service and for one
350 year following the date of [his] such resident's honorable discharge [or
351 the date of his] from, or of such resident's release under honorable
352 conditions [] from, such service.

353 (b) Any member of the armed forces of any state or of any reserve
354 component of the armed forces of the United States who has been called
355 to active service in the armed forces of any state of the United States
356 shall be exempt from the payment of any fine or late fee assessed for
357 failure to renew a motor vehicle operator's license or motor vehicle
358 registration or for failure to have emissions inspection performed in a
359 timely manner, provided such member renews the license or
360 registration or has the member's vehicle inspected at an official
361 emissions inspection station [no] not later than [sixty] ninety days

362 following the date such member is released from the qualifying military
363 service.

364 Sec. 8. Subsection (a) of section 14-41 of the 2026 supplement to the
365 general statutes is repealed and the following is substituted in lieu
366 thereof (*Effective October 1, 2026*):

367 (a) (1) An original motor vehicle operator's license shall expire within
368 a period not exceeding seven years following the date of the operator's
369 next birthday. [The] Except as provided in subdivision (2) of this
370 subsection, the fee for such license shall be eighty-four dollars. Upon
371 renewal of a license, the commissioner may issue a license for a period
372 to be determined by the commissioner, provided such period does not
373 exceed eight years. The fee for the renewal of a license that expires eight
374 years from the date of issuance shall be ninety-six dollars. The
375 commissioner shall charge a prorated amount of such fee for a license
376 that expires less than eight years from the date of issuance.

377 (2) The commissioner shall waive the fee for an original motor vehicle
378 operator's license for any person who has been verified by the
379 Department of Veterans Affairs to be a veteran, as defined in section 14-
380 36h, in accordance with the provisions of subsection (e) of section 14-
381 36h.

382 Sec. 9. Subsection (a) of section 1-1h of the general statutes is repealed
383 and the following is substituted in lieu thereof (*Effective October 1, 2026*):

384 (a) Any person who does not possess a valid motor vehicle operator's
385 license may apply to the Department of Motor Vehicles for an identity
386 card. The application for an identity card shall be accompanied by the
387 birth certificate of the applicant or a certificate of identification of the
388 applicant issued and authorized for such use by the Department of
389 Correction and a fee of twenty-eight dollars. Such application shall
390 include: (1) The applicant's name; (2) the applicant's address; (3)
391 whether the address is permanent or temporary; (4) the applicant's date
392 of birth; (5) notice to the applicant that false statements on such
393 application are punishable under section 53a-157b; and (6) such other

394 pertinent information as the Commissioner of Motor Vehicles deems
395 necessary. The applicant shall sign the application in the presence of an
396 official of the Department of Motor Vehicles. The commissioner may
397 waive the fee for any applicant (A) who has voluntarily surrendered
398 such applicant's motor vehicle operator's license, (B) whose license has
399 been refused by the commissioner pursuant to subdivision (4) of
400 subsection (e) of section 14-36, or (C) [who is both a veteran, as defined
401 in subsection (a) of section 27-103, and blind, as defined in subsection
402 (a) of section 1-1f, or (D)] who is a resident of a homeless shelter or other
403 facility for homeless persons or a certified homeless youth or certified
404 homeless young adult. The commissioner shall waive the fee for any
405 applicant who has been verified by the Department of Veterans Affairs
406 to be a veteran, as defined in section 14-36h, in accordance with the
407 provisions of subsection (e) of section 14-36h. The commissioner shall
408 adopt regulations, in accordance with the provisions of chapter 54, to
409 establish the procedure and qualifications for the issuance of an identity
410 card to any such homeless applicant. For the purposes of this subsection,
411 "certified homeless youth" and "certified homeless young adult" have
412 the same meanings as provided in section 7-36.

413 Sec. 10. Subsection (a) of section 17a-248e of the general statutes is
414 repealed and the following is substituted in lieu thereof (*Effective July 1,*
415 *2026*):

416 (a) (1) Each eligible child and his or her family shall receive [(1)] (A)
417 a multidisciplinary assessment of the child's unique needs and the
418 identification of services appropriate to meet such needs, [(2)] (B) a
419 written individualized family service plan developed by a
420 multidisciplinary team, including the parent, [within] not later than
421 forty-five days after the referral, [(3)] (C) a review of the individualized
422 family service plan with the family at least every six months, with
423 evaluation of the individualized family service plan at least annually,
424 and [(4)] (D) not later than two months after the date on which any child
425 is determined to be ineligible for participation in preschool programs
426 under Part B of the Individuals with Disabilities Act, 20 USC 1471 et seq.,
427 a referral to register for a mobile application designated by the

428 Commissioner of Early Childhood for the purpose of continued
429 screening for developmental and social-emotional delays in partnership
430 with the local or regional board of education for the school district in
431 which such child resides pursuant to subparagraph (H) of subdivision
432 (10) of subsection (a) of section 10-76d, provided a form used for
433 screening for developmental and social-emotional delays using a
434 validated screening tool, such as the Ages and Stages Questionnaire and
435 the Ages and Stages Social-Emotional Questionnaire, or its equivalent,
436 is provided to any family upon the request of such family for the
437 purpose of completing and submitting such form to the local or regional
438 board of education for the school district in which such child resides.

439 (2) If an eligible child of a member of the armed forces, as defined in
440 section 27-103, is referred to this state's early intervention system as a
441 result of such member having received military orders directing such
442 member to the state or any other documents from the armed forces
443 indicating the transfer of such member to the state, and such eligible
444 child was enrolled in the early intervention system in the previous state
445 or territory with an individualized family service plan pursuant to Part
446 C of the Individuals with Disabilities Education Act, 20 USC 1431 et seq.,
447 this state's early intervention system shall take necessary steps,
448 including, but not limited to, the transfer of any records and prior
449 assessments, the performance of any reassessments and, not later than
450 forty-five days after the referral, the holding of any meeting to develop
451 a written individualized family service plan for such eligible child, to
452 ensure a minimally disruptive transition to this state's provision of early
453 intervention services.

454 Sec. 11. Section 27-15 of the general statutes is repealed and the
455 following is substituted in lieu thereof (*Effective January 1, 2027*):

456 The Governor [shall] may appoint [the] a military staff that, if so
457 appointed, shall consist of the Adjutant General, who shall be chief of
458 staff with the rank of lieutenant general; the assistant adjutant generals,
459 one of whom shall serve as deputy chief of staff as provided under
460 subsection (c) of section 27-24; [the chief of staff for the Connecticut Air

461 National Guard; an air aide-de-camp with the rank of colonel, who shall
462 be the senior aviation officer of the Connecticut National Guard; a
463 Surgeon General, who shall be the senior medical officer of the National
464 Guard; one aide-de-camp with the rank of colonel from the United
465 States Air Force Reserve; one aide-de-camp with the rank of captain
466 from the United States Naval Reserve; one aide-de-camp with the rank
467 of colonel from the United States Marine Corps Reserve; one aide-de-
468 camp with the rank of colonel from the United States Army Reserve; one
469 aide-de-camp with the rank of lieutenant commander from the United
470 States Coast Guard Reserve; five aides-de-camp, two with the rank of
471 colonel, two with the rank of lieutenant colonel and one with the rank
472 of major, all of whom shall be from the National Guard; and two enlisted
473 aides-de-camp with the rank of sergeant major from the National
474 Guard] and such other officers and senior enlisted noncommissioned
475 officers from the armed forces of the state and the armed forces of the
476 United States as the Governor deems necessary. Members appointed
477 from the armed forces of the state shall retain their federal or state
478 grades and shall remain subject to duty therein. [and, if appointed to
479 such staff in a rank lower than the highest grade attained in federal or
480 state service, shall serve on the staff in their highest recognized grade.
481 Any requirement of this section that any member of the Governor's
482 military staff shall be a member of, or hold any rank in, the National
483 Guard shall be inapplicable whenever the National Guard is in active
484 service with the Army, Navy or Air Force of the United States and at
485 such time the military staff of the Governor may be appointed by the
486 Governor from the organized or unorganized militia, ex-members of the
487 United States Army or Navy or the Connecticut National Guard, or from
488 civil life; and in addition to the active military staff the Governor may,
489 at said Governor's discretion, appoint honorary staff members from the
490 former National Guard or naval militia then on active military duty.]
491 The Governor, or the Adjutant General, at any other time [,] may
492 appoint honorary staff members to the Connecticut National Guard
493 without regard to affiliation who shall serve without the pay, honors,
494 privileges and benefits afforded [the] active [staff] members, including,
495 but not limited to, allowances and tuition waivers. [The majors

496 commandant of the first and second companies Governor's Foot Guards
497 and the Governor's Horse Guards shall be ex-officio members of the
498 Governor's military staff. The Governor shall also appoint the
499 immediate predecessors of such majors commandant to serve as
500 additional ex-officio members. In addition to the above-named officers,
501 the Governor shall appoint three additional staff members, one of whom
502 shall be a colonel or of equivalent naval rank and two of whom shall be
503 majors or of equivalent naval rank.]

504 Sec. 12. Section 27-39a of the general statutes is repealed and the
505 following is substituted in lieu thereof (*Effective October 1, 2026*):

506 (a) The state military training facility in Niantic shall be named Camp
507 Nett [at Niantic] in honor of Connecticut Army National Guard Colonel
508 Robert B. Nett, recipient of the congressional medal of honor for his
509 actions on December 14, 1944, during the Second World War.

510 (b) The state military training facility in Windsor Locks shall be
511 named Camp Hartell in honor of Connecticut Army National Guard
512 First Lieutenant Lee R. Hartell, recipient of the congressional medal of
513 honor for his actions on August 27, 1951, during the Korean hostilities.

514 Sec. 13. Section 27-19c of the 2026 supplement to the general statutes
515 is repealed and the following is substituted in lieu thereof (*Effective*
516 *October 1, 2026*):

517 There is established an account to be known as the "chargeable
518 transient quarters and billeting account", which shall be a separate,
519 nonlapsing account. The account shall contain any moneys required by
520 law to be deposited in the account, which shall include, but not be
521 limited to, proceeds of room service charges at Camp Nett. [at Niantic.]
522 Moneys in the account shall be expended by the Adjutant General for
523 the purposes of billeting members of the armed forces at Camp Nett. [at
524 Niantic.]

525 Sec. 14. Section 27-2 of the general statutes is repealed and the
526 following is substituted in lieu thereof (*Effective October 1, 2026*):

527 The militia shall be divided into four classes as follows: The
528 unorganized militia, the organized militia, the National Guard and the
529 naval militia. The National Guard for the purposes of this chapter shall
530 consist of the Army National Guard and the Air National Guard. The
531 unorganized militia shall consist of all male citizens and all male
532 residents of the state who have declared their intention to become
533 citizens of the United States, between the ages of eighteen and forty-five
534 years, not exempt from military duty by federal or state laws or by such
535 reasons of physical or mental disabilities as shall be prescribed in
536 general orders or regulations published by the Adjutant General and
537 approved by the Governor and who are not members of the organized
538 militia or of the National Guard or of the naval militia, and all female
539 citizens and all female residents of the state who have declared their
540 intention to become citizens of the United States, between the ages of
541 eighteen and forty-five years, who may voluntarily offer their services
542 to the state. The organized militia shall consist of the Governor's Guards,
543 the State Guard and such other military forces as may be designated by
544 the Governor as commander-in-chief, which may hereafter be organized
545 under the provisions of the laws of this state. The National Guard shall
546 consist of such forces as may be organized and maintained by this state
547 pursuant to the laws and regulations of the United States relating to the
548 National Guard. The naval militia shall consist of such persons as may
549 enlist or be appointed or commissioned therein as a special force for
550 coast protection and as a naval reserve and shall be organized and
551 maintained by this state pursuant to the laws and regulations of the
552 United States relating to the naval militia and may include a marine
553 corps branch of the naval militia subordinate thereto in all matters
554 pertaining to command, discipline or administration. The organized
555 militia, the National Guard, the naval militia and marine corps branch
556 of the naval militia, whenever organized, shall be, for all purposes under
557 the general statutes, the armed forces of the state.

558 Sec. 15. Subsection (c) of section 14-21cc of the 2026 supplement to the
559 general statutes is repealed and the following is substituted in lieu
560 thereof (*Effective October 1, 2026*):

561 (c) There is established the "Hispanic-American Veterans of
562 Connecticut" commemorative account which shall be a separate,
563 nonlapsing account. [within the General Fund.] The account shall
564 contain any moneys required by law to be deposited in the account. The
565 funds in said account shall be used by Hispanic-American Veterans of
566 Connecticut, Inc. to provide bilingual services and assistance to
567 Connecticut veterans and members of the armed forces. Hispanic-
568 American Veterans of Connecticut, Inc. may receive private donations
569 to said account and any such donations shall be deposited in said
570 account.

571 Sec. 16. Section 27-73e of the general statutes is repealed and the
572 following is substituted in lieu thereof (*Effective October 1, 2026*):

573 The Commissioner of Veterans Affairs, in conjunction with the
574 Adjutant General, shall award a ribbon and medal to each (1) veteran
575 who either (A) was a resident of this state at the time he or she was called
576 to active duty for service in time of war, or (B) is domiciled in this state
577 on the date of such award, and (2) former member of any reserve
578 component of the armed forces who was honorably discharged [who]
579 and either (A) was a resident of this state at the time he or she was
580 serving in such reserve component during a period of war, or (B) is
581 domiciled in this state on the date of such award. The commissioner, in
582 conjunction with the Adjutant General, shall adopt regulations, in
583 accordance with chapter 54, setting forth the process for designing the
584 ribbon and medal, identifying such veterans and former members who
585 are eligible for the ribbon and medal under this section and establishing
586 procedures for distributing the ribbon and medal to each such eligible
587 veteran and former member. The cost of the ribbons and medals shall
588 be paid from the funds appropriated to the military assistance account
589 within the Military Department. Within existing budgetary resources,
590 awards under this section may be made posthumously for veterans who
591 died on or after November 12, 1918. As used in this section, "veteran",
592 "service in time of war" and "period of war" have the same meanings as
593 provided in subsection (a) of section 27-103.

594

595 Sec. 17. (NEW) (*Effective October 1, 2026*) The state military readiness
596 center in Putnam shall be named the Captain-General John Dempsey
597 Putnam Army National Guard Readiness Center in honor of John
598 Dempsey, who served as mayor of and state representative for the town
599 of Putnam and as the eighty-first governor of Connecticut.

600 Sec. 18. Subparagraph (B) of subdivision (20) of subsection (a) of
601 section 12-701 of the 2026 supplement to the general statutes is repealed
602 and the following is substituted in lieu thereof (*Effective July 1, 2026, and*
603 *applicable to taxable years commencing on or after January 1, 2026*):

604 (B) There shall be subtracted therefrom:

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

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

610 (iii) To the extent properly includable in gross income for federal
611 income tax purposes, the amount of any refund or credit for
612 overpayment of income taxes imposed by this state, or any other state
613 of the United States or a political subdivision thereof, or the District of
614 Columbia;

615 (iv) To the extent properly includable in gross income for federal
616 income tax purposes and not otherwise subtracted from federal
617 adjusted gross income pursuant to clause (x) of this subparagraph in
618 computing Connecticut adjusted gross income, any tier 1 railroad
619 retirement benefits;

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

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

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

632 (vii) To the extent properly includable in determining the net gain or
633 loss from the sale or other disposition of capital assets for federal income
634 tax purposes, any gain from the sale or exchange of obligations issued
635 by or on behalf of the state of Connecticut, any political subdivision
636 thereof, or public instrumentality, state or local authority, district or
637 similar public entity created under the laws of the state of Connecticut,
638 in the income year such gain was recognized;

639 (viii) Any interest on indebtedness incurred or continued to purchase
640 or carry obligations or securities the interest on which is subject to tax
641 under this chapter but exempt from federal income tax, to the extent that
642 such interest on indebtedness is not deductible in determining federal
643 adjusted gross income and is attributable to a trade or business carried
644 on by such individual;

645 (ix) Ordinary and necessary expenses paid or incurred during the
646 taxable year for the production or collection of income which is subject
647 to taxation under this chapter but exempt from federal income tax, or
648 the management, conservation or maintenance of property held for the
649 production of such income, and the amortizable bond premium for the
650 taxable year on any bond the interest on which is subject to tax under
651 this chapter but exempt from federal income tax, to the extent that such
652 expenses and premiums are not deductible in determining federal
653 adjusted gross income and are attributable to a trade or business carried
654 on by such individual;

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

656 person who files a return under the federal income tax as an unmarried
657 individual whose federal adjusted gross income for such taxable year is
658 less than fifty thousand dollars, or as a married individual filing
659 separately whose federal adjusted gross income for such taxable year is
660 less than fifty thousand dollars, or for a husband and wife who file a
661 return under the federal income tax as married individuals filing jointly
662 whose federal adjusted gross income for such taxable year is less than
663 sixty thousand dollars or a person who files a return under the federal
664 income tax as a head of household whose federal adjusted gross income
665 for such taxable year is less than sixty thousand dollars, an amount
666 equal to the Social Security benefits includable for federal income tax
667 purposes;

668 (II) For taxable years commencing prior to January 1, 2019, for a
669 person who files a return under the federal income tax as an unmarried
670 individual whose federal adjusted gross income for such taxable year is
671 fifty thousand dollars or more, or as a married individual filing
672 separately whose federal adjusted gross income for such taxable year is
673 fifty thousand dollars or more, or for a husband and wife who file a
674 return under the federal income tax as married individuals filing jointly
675 whose federal adjusted gross income from such taxable year is sixty
676 thousand dollars or more or for a person who files a return under the
677 federal income tax as a head of household whose federal adjusted gross
678 income for such taxable year is sixty thousand dollars or more, an
679 amount equal to the difference between the amount of Social Security
680 benefits includable for federal income tax purposes and the lesser of
681 twenty-five per cent of the Social Security benefits received during the
682 taxable year, or twenty-five per cent of the excess described in Section
683 86(b)(1) of the Internal Revenue Code;

684 (III) For the taxable year commencing January 1, 2019, and each
685 taxable year thereafter, for a person who files a return under the federal
686 income tax as an unmarried individual whose federal adjusted gross
687 income for such taxable year is less than seventy-five thousand dollars,
688 or as a married individual filing separately whose federal adjusted gross
689 income for such taxable year is less than seventy-five thousand dollars,

690 or for a husband and wife who file a return under the federal income tax
691 as married individuals filing jointly whose federal adjusted gross
692 income for such taxable year is less than one hundred thousand dollars
693 or a person who files a return under the federal income tax as a head of
694 household whose federal adjusted gross income for such taxable year is
695 less than one hundred thousand dollars, an amount equal to the Social
696 Security benefits includable for federal income tax purposes; and

697 (IV) For the taxable year commencing January 1, 2019, and each
698 taxable year thereafter, for a person who files a return under the federal
699 income tax as an unmarried individual whose federal adjusted gross
700 income for such taxable year is seventy-five thousand dollars or more,
701 or as a married individual filing separately whose federal adjusted gross
702 income for such taxable year is seventy-five thousand dollars or more,
703 or for a husband and wife who file a return under the federal income tax
704 as married individuals filing jointly whose federal adjusted gross
705 income from such taxable year is one hundred thousand dollars or more
706 or for a person who files a return under the federal income tax as a head
707 of household whose federal adjusted gross income for such taxable year
708 is one hundred thousand dollars or more, an amount equal to the
709 difference between the amount of Social Security benefits includable for
710 federal income tax purposes and the lesser of twenty-five per cent of the
711 Social Security benefits received during the taxable year, or twenty-five
712 per cent of the excess described in Section 86(b)(1) of the Internal
713 Revenue Code;

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

717 (xii) To the extent properly includable in the gross income for federal
718 income tax purposes of a designated beneficiary, any distribution to
719 such beneficiary from any qualified state tuition program, as defined in
720 Section 529(b) of the Internal Revenue Code, established and
721 maintained by this state or any official, agency or instrumentality of the
722 state;

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

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

731 (xv) To the extent properly includable in the gross income for federal
732 income tax purposes of a designated beneficiary, as defined in section
733 3-123aa, interest, dividends or capital gains earned on contributions to
734 accounts established for the designated beneficiary pursuant to the
735 Connecticut Homecare Option Program for the Elderly established by
736 sections 3-123aa to 3-123ff, inclusive;

737 (xvi) To the extent properly includable in gross income for federal
738 income tax purposes, any income received from the United States
739 government as retirement pay for a retired member of (I) the Armed
740 Forces of the United States, as defined in Section 101 of Title 10 of the
741 United States Code, or (II) the National Guard, as defined in Section 101
742 of Title 10 of the United States Code;

743 (xvii) To the extent properly includable in gross income for federal
744 income tax purposes for the taxable year, any income from the discharge
745 of indebtedness in connection with any reacquisition, after December
746 31, 2008, and before January 1, 2011, of an applicable debt instrument or
747 instruments, as those terms are defined in Section 108 of the Internal
748 Revenue Code, as amended by Section 1231 of the American Recovery
749 and Reinvestment Act of 2009, to the extent any such income was added
750 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
751 this subdivision in computing Connecticut adjusted gross income for a
752 preceding taxable year;

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

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

757 (xix) To the extent properly includable in gross income for federal
758 income tax purposes, (I) for the taxable year commencing January 1,
759 2015, ten per cent of the income received from the state teachers'
760 retirement system, (II) for the taxable years commencing January 1,
761 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
762 received from the state teachers' retirement system, and (III) for the
763 taxable year commencing January 1, 2021, and each taxable year
764 thereafter, fifty per cent of the income received from the state teachers'
765 retirement system or, for a taxpayer whose federal adjusted gross
766 income does not exceed the applicable threshold under clause (xx) of
767 this subparagraph, the percentage pursuant to said clause of the income
768 received from the state teachers' retirement system, whichever
769 deduction is greater;

770 (xx) To the extent properly includable in gross income for federal
771 income tax purposes, except for retirement benefits under clause (iv) of
772 this subparagraph and retirement pay under clause (xvi) of this
773 subparagraph, for a person who files a return under the federal income
774 tax as an unmarried individual whose federal adjusted gross income for
775 such taxable year is less than seventy-five thousand dollars, or as a
776 married individual filing separately whose federal adjusted gross
777 income for such taxable year is less than seventy-five thousand dollars,
778 or as a head of household whose federal adjusted gross income for such
779 taxable year is less than seventy-five thousand dollars, or for a husband
780 and wife who file a return under the federal income tax as married
781 individuals filing jointly whose federal adjusted gross income for such
782 taxable year is less than one hundred thousand dollars, (I) for the taxable
783 year commencing January 1, 2019, fourteen per cent of any pension or
784 annuity income, (II) for the taxable year commencing January 1, 2020,
785 twenty-eight per cent of any pension or annuity income, (III) for the
786 taxable year commencing January 1, 2021, forty-two per cent of any
787 pension or annuity income, and (IV) for the taxable years commencing
788 January 1, 2022, and January 1, 2023, one hundred per cent of any

789 pension or annuity income;

790 (xxi) To the extent properly includable in gross income for federal
791 income tax purposes, except for retirement benefits under clause (iv) of
792 this subparagraph and retirement pay under clause (xvi) of this
793 subparagraph, any pension or annuity income for the taxable year
794 commencing on or after January 1, 2024, and each taxable year
795 thereafter, in accordance with the following schedule, for a person who
796 files a return under the federal income tax as an unmarried individual
797 whose federal adjusted gross income for such taxable year is less than
798 one hundred thousand dollars, or as a married individual filing
799 separately whose federal adjusted gross income for such taxable year is
800 less than one hundred thousand dollars, or as a head of household
801 whose federal adjusted gross income for such taxable year is less than
802 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%

803 (xxii) To the extent properly includable in gross income for federal
804 income tax purposes, except for retirement benefits under clause (iv) of
805 this subparagraph and retirement pay under clause (xvi) of this
806 subparagraph, any pension or annuity income for the taxable year
807 commencing on or after January 1, 2024, and each taxable year
808 thereafter, in accordance with the following schedule for married
809 individuals who file a return under the federal income tax as married

810 individuals filing jointly whose federal adjusted gross income for such
811 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%

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

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

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

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

830 Connecticut adjusted gross income, twenty-five per cent of such
831 disallowed portion of the deduction in each of the four succeeding
832 taxable years;

833 (xxvii) To the extent properly includable in gross income for federal
834 income tax purposes, for a person who files a return under the federal
835 income tax as an unmarried individual whose federal adjusted gross
836 income for such taxable year is less than seventy-five thousand dollars,
837 or as a married individual filing separately whose federal adjusted gross
838 income for such taxable year is less than seventy-five thousand dollars,
839 or as a head of household whose federal adjusted gross income for such
840 taxable year is less than seventy-five thousand dollars, or for a husband
841 and wife who file a return under the federal income tax as married
842 individuals filing jointly whose federal adjusted gross income for such
843 taxable year is less than one hundred thousand dollars, for the taxable
844 year commencing January 1, 2023, twenty-five per cent of any
845 distribution from an individual retirement account other than a Roth
846 individual retirement account;

847 (xxviii) To the extent properly includable in gross income for federal
848 income tax purposes, for a person who files a return under the federal
849 income tax as an unmarried individual whose federal adjusted gross
850 income for such taxable year is less than one hundred thousand dollars,
851 or as a married individual filing separately whose federal adjusted gross
852 income for such taxable year is less than one hundred thousand dollars,
853 or as a head of household whose federal adjusted gross income for such
854 taxable year is less than one hundred thousand dollars, (I) for the taxable
855 year commencing January 1, 2024, fifty per cent of any distribution from
856 an individual retirement account other than a Roth individual
857 retirement account, (II) for the taxable year commencing January 1, 2025,
858 seventy-five per cent of any distribution from an individual retirement
859 account other than a Roth individual retirement account, and (III) for
860 the taxable year commencing January 1, 2026, and each taxable year
861 thereafter, any distribution from an individual retirement account other
862 than a Roth individual retirement account. The subtraction under this
863 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%

864 (xxix) To the extent properly includable in gross income for federal
865 income tax purposes, for married individuals who file a return under
866 the federal income tax as married individuals filing jointly whose
867 federal adjusted gross income for such taxable year is less than one
868 hundred fifty thousand dollars, (I) for the taxable year commencing
869 January 1, 2024, fifty per cent of any distribution from an individual
870 retirement account other than a Roth individual retirement account, (II)
871 for the taxable year commencing January 1, 2025, seventy-five per cent
872 of any distribution from an individual retirement account other than a
873 Roth individual retirement account, and (III) for the taxable year
874 commencing January 1, 2026, and each taxable year thereafter, any
875 distribution from an individual retirement account other than a Roth
876 individual retirement account. The subtraction under this clause shall
877 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%

878 (xxx) To the extent properly includable in gross income for federal
879 income tax purposes, for the taxable year commencing January 1, 2022,
880 the amount or amounts paid or otherwise credited to any eligible
881 resident of this state under (I) the 2020 Earned Income Tax Credit
882 enhancement program from funding allocated to the state through the
883 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,
884 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned
885 Income Tax Credit enhancement program from funding allocated to the
886 state pursuant to Section 9901 of Subtitle M of Title IX of the American
887 Rescue Plan Act of 2021, P.L. 117-2;

888 (xxxix) For the taxable year commencing January 1, 2023, and each
889 taxable year thereafter, for a taxpayer licensed under the provisions of
890 chapter 420f or 420h, the amount of ordinary and necessary expenses
891 that would be eligible to be claimed as a deduction for federal income
892 tax purposes under Section 162(a) of the Internal Revenue Code but that
893 are disallowed under Section 280E of the Internal Revenue Code
894 because marijuana is a controlled substance under the federal
895 Controlled Substance Act;

896 (xxxix) To the extent properly includable in gross income for federal
897 income tax purposes, for the taxable year commencing on or after
898 January 1, 2025, and each taxable year thereafter, any common stock
899 received by the taxpayer during the taxable year under a share plan, as
900 defined in section 12-217ss;

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

904 (xxxix) Contributions to an ABL account established pursuant to

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

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

911 (xxxvi) For an account holder, as defined in section 12-724b, who files
912 a return under the federal income tax as an unmarried individual, a
913 married individual filing separately or a head of household, whose
914 federal adjusted gross income for the taxable year is less than one
915 hundred twenty-five thousand dollars or who files a return under the
916 federal income tax as married individuals filing jointly whose federal
917 adjusted gross income for the taxable year is less than two hundred fifty
918 thousand dollars:

919 (I) To the extent not deductible in determining federal adjusted gross
920 income, for the taxable year commencing January 1, 2027, an amount
921 equal to the contributions deposited during the taxable years
922 commencing January 1, 2026, and January 1, 2027, in a first-time
923 homebuyer savings account established pursuant to subsection (c) of
924 section 12-724b, less any amounts withdrawn during said taxable years
925 by the account holder from such account under subparagraph (D) of
926 subdivision (2) of subsection (f) of section 12-724b. The amount claimed
927 under this subclause shall not exceed two thousand five hundred
928 dollars for each such taxable year for an unmarried individual, a
929 married individual filing separately or a head of household and five
930 thousand dollars for each such taxable year for married individuals
931 filing jointly;

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

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

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

950 (xxxvii) To the extent properly includable in gross income for federal
951 income tax purposes, for the taxable year commencing January 1, 2027,
952 and each taxable year thereafter, for an account holder who is a qualified
953 beneficiary of a first-time homebuyer savings account, as those terms
954 are defined in section 12-724b, and who files a return under the federal
955 income tax as an unmarried individual, a married individual filing
956 separately or a head of household, whose federal adjusted gross income
957 for the taxable year is less than one hundred twenty-five thousand
958 dollars or who files a return under the federal income tax as married
959 individuals filing jointly whose federal adjusted gross income for the
960 taxable year is less than two hundred fifty thousand dollars, an amount
961 equal to any withdrawal from such account that is used to pay or
962 reimburse such qualified beneficiary for eligible costs, as defined in
963 section 12-724b, incurred by the qualified beneficiary; and

964 (xxxviii) To the extent properly includable in gross income for federal
965 income tax purposes, the amount of any compensation received for
966 attending a funeral as a member of an honor guard detail pursuant to
967 section 27-76.

968 Sec. 19. Subparagraph (B) of subdivision (20) of subsection (a) of

969 section 12-701 of the 2026 supplement to the general statutes, as
970 amended by section 18 of this act, is repealed and the following is
971 substituted in lieu thereof (*Effective July 1, 2026, and applicable to taxable*
972 *years commencing on or after January 1, 2027*):

973 (B) There shall be subtracted therefrom:

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

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

979 (iii) To the extent properly includable in gross income for federal
980 income tax purposes, the amount of any refund or credit for
981 overpayment of income taxes imposed by this state, or any other state
982 of the United States or a political subdivision thereof, or the District of
983 Columbia;

984 (iv) To the extent properly includable in gross income for federal
985 income tax purposes and not otherwise subtracted from federal
986 adjusted gross income pursuant to clause (x) of this subparagraph in
987 computing Connecticut adjusted gross income, any tier 1 railroad
988 retirement benefits;

989 (v) To the extent any additional allowance for depreciation under
990 Section 168(k) of the Internal Revenue Code for property placed in
991 service after September 27, 2017, was added to federal adjusted gross
992 income pursuant to subparagraph (A)(ix) of this subdivision in
993 computing Connecticut adjusted gross income, twenty-five per cent of
994 such additional allowance for depreciation in each of the four
995 succeeding taxable years;

996 (vi) To the extent properly includable in gross income for federal
997 income tax purposes, any interest income from obligations issued by or
998 on behalf of the state of Connecticut, any political subdivision thereof,

999 or public instrumentality, state or local authority, district or similar
1000 public entity created under the laws of the state of Connecticut;

1001 (vii) To the extent properly includable in determining the net gain or
1002 loss from the sale or other disposition of capital assets for federal income
1003 tax purposes, any gain from the sale or exchange of obligations issued
1004 by or on behalf of the state of Connecticut, any political subdivision
1005 thereof, or public instrumentality, state or local authority, district or
1006 similar public entity created under the laws of the state of Connecticut,
1007 in the income year such gain was recognized;

1008 (viii) Any interest on indebtedness incurred or continued to purchase
1009 or carry obligations or securities the interest on which is subject to tax
1010 under this chapter but exempt from federal income tax, to the extent that
1011 such interest on indebtedness is not deductible in determining federal
1012 adjusted gross income and is attributable to a trade or business carried
1013 on by such individual;

1014 (ix) Ordinary and necessary expenses paid or incurred during the
1015 taxable year for the production or collection of income which is subject
1016 to taxation under this chapter but exempt from federal income tax, or
1017 the management, conservation or maintenance of property held for the
1018 production of such income, and the amortizable bond premium for the
1019 taxable year on any bond the interest on which is subject to tax under
1020 this chapter but exempt from federal income tax, to the extent that such
1021 expenses and premiums are not deductible in determining federal
1022 adjusted gross income and are attributable to a trade or business carried
1023 on by such individual;

1024 (x) (I) For taxable years commencing prior to January 1, 2019, for a
1025 person who files a return under the federal income tax as an unmarried
1026 individual whose federal adjusted gross income for such taxable year is
1027 less than fifty thousand dollars, or as a married individual filing
1028 separately whose federal adjusted gross income for such taxable year is
1029 less than fifty thousand dollars, or for a husband and wife who file a
1030 return under the federal income tax as married individuals filing jointly

1031 whose federal adjusted gross income for such taxable year is less than
1032 sixty thousand dollars or a person who files a return under the federal
1033 income tax as a head of household whose federal adjusted gross income
1034 for such taxable year is less than sixty thousand dollars, an amount
1035 equal to the Social Security benefits includable for federal income tax
1036 purposes;

1037 (II) For taxable years commencing prior to January 1, 2019, for a
1038 person who files a return under the federal income tax as an unmarried
1039 individual whose federal adjusted gross income for such taxable year is
1040 fifty thousand dollars or more, or as a married individual filing
1041 separately whose federal adjusted gross income for such taxable year is
1042 fifty thousand dollars or more, or for a husband and wife who file a
1043 return under the federal income tax as married individuals filing jointly
1044 whose federal adjusted gross income from such taxable year is sixty
1045 thousand dollars or more or for a person who files a return under the
1046 federal income tax as a head of household whose federal adjusted gross
1047 income for such taxable year is sixty thousand dollars or more, an
1048 amount equal to the difference between the amount of Social Security
1049 benefits includable for federal income tax purposes and the lesser of
1050 twenty-five per cent of the Social Security benefits received during the
1051 taxable year, or twenty-five per cent of the excess described in Section
1052 86(b)(1) of the Internal Revenue Code;

1053 (III) For the taxable year commencing January 1, 2019, and each
1054 taxable year thereafter, for a person who files a return under the federal
1055 income tax as an unmarried individual whose federal adjusted gross
1056 income for such taxable year is less than seventy-five thousand dollars,
1057 or as a married individual filing separately whose federal adjusted gross
1058 income for such taxable year is less than seventy-five thousand dollars,
1059 or for a husband and wife who file a return under the federal income tax
1060 as married individuals filing jointly whose federal adjusted gross
1061 income for such taxable year is less than one hundred thousand dollars
1062 or a person who files a return under the federal income tax as a head of
1063 household whose federal adjusted gross income for such taxable year is
1064 less than one hundred thousand dollars, an amount equal to the Social

1065 Security benefits includable for federal income tax purposes; and

1066 (IV) For the taxable year commencing January 1, 2019, and each
1067 taxable year thereafter, for a person who files a return under the federal
1068 income tax as an unmarried individual whose federal adjusted gross
1069 income for such taxable year is seventy-five thousand dollars or more,
1070 or as a married individual filing separately whose federal adjusted gross
1071 income for such taxable year is seventy-five thousand dollars or more,
1072 or for a husband and wife who file a return under the federal income tax
1073 as married individuals filing jointly whose federal adjusted gross
1074 income from such taxable year is one hundred thousand dollars or more
1075 or for a person who files a return under the federal income tax as a head
1076 of household whose federal adjusted gross income for such taxable year
1077 is one hundred thousand dollars or more, an amount equal to the
1078 difference between the amount of Social Security benefits includable for
1079 federal income tax purposes and the lesser of twenty-five per cent of the
1080 Social Security benefits received during the taxable year, or twenty-five
1081 per cent of the excess described in Section 86(b)(1) of the Internal
1082 Revenue Code;

1083 (xi) To the extent properly includable in gross income for federal
1084 income tax purposes, any amount rebated to a taxpayer pursuant to
1085 section 12-746;

1086 (xii) To the extent properly includable in the gross income for federal
1087 income tax purposes of a designated beneficiary, any distribution to
1088 such beneficiary from any qualified state tuition program, as defined in
1089 Section 529(b) of the Internal Revenue Code, established and
1090 maintained by this state or any official, agency or instrumentality of the
1091 state;

1092 (xiii) To the extent allowable under section 12-701a, contributions to
1093 accounts established pursuant to any qualified state tuition program, as
1094 defined in Section 529(b) of the Internal Revenue Code, established and
1095 maintained by this state or any official, agency or instrumentality of the
1096 state;

1097 (xiv) To the extent properly includable in gross income for federal
1098 income tax purposes, the amount of any Holocaust victims' settlement
1099 payment received in the taxable year by a Holocaust victim;

1100 (xv) To the extent properly includable in the gross income for federal
1101 income tax purposes of a designated beneficiary, as defined in section
1102 3-123aa, interest, dividends or capital gains earned on contributions to
1103 accounts established for the designated beneficiary pursuant to the
1104 Connecticut Homecare Option Program for the Elderly established by
1105 sections 3-123aa to 3-123ff, inclusive;

1106 (xvi) To the extent properly includable in gross income for federal
1107 income tax purposes, any income received from the United States
1108 government as retirement pay for a retired member of (I) the Armed
1109 Forces of the United States, as defined in Section 101 of Title 10 of the
1110 United States Code, or (II) the National Guard, as defined in Section 101
1111 of Title 10 of the United States Code;

1112 (xvii) To the extent properly includable in gross income for federal
1113 income tax purposes for the taxable year, any income from the discharge
1114 of indebtedness in connection with any reacquisition, after December
1115 31, 2008, and before January 1, 2011, of an applicable debt instrument or
1116 instruments, as those terms are defined in Section 108 of the Internal
1117 Revenue Code, as amended by Section 1231 of the American Recovery
1118 and Reinvestment Act of 2009, to the extent any such income was added
1119 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
1120 this subdivision in computing Connecticut adjusted gross income for a
1121 preceding taxable year;

1122 (xviii) To the extent not deductible in determining federal adjusted
1123 gross income, the amount of any contribution to a manufacturing
1124 reinvestment account established pursuant to section 32-9zz in the
1125 taxable year that such contribution is made;

1126 (xix) To the extent properly includable in gross income for federal
1127 income tax purposes, (I) for the taxable year commencing January 1,
1128 2015, ten per cent of the income received from the state teachers'

1129 retirement system, (II) for the taxable years commencing January 1,
1130 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
1131 received from the state teachers' retirement system, and (III) for the
1132 taxable year commencing January 1, 2021, and each taxable year
1133 thereafter, fifty per cent of the income received from the state teachers'
1134 retirement system or, for a taxpayer whose federal adjusted gross
1135 income does not exceed the applicable threshold under clause (xx) of
1136 this subparagraph, the percentage pursuant to said clause of the income
1137 received from the state teachers' retirement system, whichever
1138 deduction is greater;

1139 (xx) To the extent properly includable in gross income for federal
1140 income tax purposes, except for retirement benefits under clause (iv) of
1141 this subparagraph and retirement pay under clause (xvi) of this
1142 subparagraph, for a person who files a return under the federal income
1143 tax as an unmarried individual whose federal adjusted gross income for
1144 such taxable year is less than seventy-five thousand dollars, or as a
1145 married individual filing separately whose federal adjusted gross
1146 income for such taxable year is less than seventy-five thousand dollars,
1147 or as a head of household whose federal adjusted gross income for such
1148 taxable year is less than seventy-five thousand dollars, or for a husband
1149 and wife who file a return under the federal income tax as married
1150 individuals filing jointly whose federal adjusted gross income for such
1151 taxable year is less than one hundred thousand dollars, (I) for the taxable
1152 year commencing January 1, 2019, fourteen per cent of any pension or
1153 annuity income, (II) for the taxable year commencing January 1, 2020,
1154 twenty-eight per cent of any pension or annuity income, (III) for the
1155 taxable year commencing January 1, 2021, forty-two per cent of any
1156 pension or annuity income, and (IV) for the taxable years commencing
1157 January 1, 2022, and January 1, 2023, one hundred per cent of any
1158 pension or annuity income;

1159 (xxi) To the extent properly includable in gross income for federal
1160 income tax purposes, except for retirement benefits under clause (iv) of
1161 this subparagraph and retirement pay under clause (xvi) of this
1162 subparagraph, any pension or annuity income for the taxable year

1163 commencing on or after January 1, 2024, and each taxable year
 1164 thereafter, in accordance with the following schedule, for a person who
 1165 files a return under the federal income tax as an unmarried individual
 1166 whose federal adjusted gross income for such taxable year is less than
 1167 one hundred thousand dollars, or as a married individual filing
 1168 separately whose federal adjusted gross income for such taxable year is
 1169 less than one hundred thousand dollars, or as a head of household
 1170 whose federal adjusted gross income for such taxable year is less than
 1171 one hundred thousand dollars:

T45	Federal Adjusted Gross Income	Deduction
T46	Less than \$75,000	100.0%
T47	\$75,000 but not over \$77,499	85.0%
T48	\$77,500 but not over \$79,999	70.0%
T49	\$80,000 but not over \$82,499	55.0%
T50	\$82,500 but not over \$84,999	40.0%
T51	\$85,000 but not over \$87,499	25.0%
T52	\$87,500 but not over \$89,999	10.0%
T53	\$90,000 but not over \$94,999	5.0%
T54	\$95,000 but not over \$99,999	2.5%
T55	\$100,000 and over	0.0%

1172 (xxii) To the extent properly includable in gross income for federal
 1173 income tax purposes, except for retirement benefits under clause (iv) of
 1174 this subparagraph and retirement pay under clause (xvi) of this
 1175 subparagraph, any pension or annuity income for the taxable year
 1176 commencing on or after January 1, 2024, and each taxable year
 1177 thereafter, in accordance with the following schedule for married
 1178 individuals who file a return under the federal income tax as married
 1179 individuals filing jointly whose federal adjusted gross income for such
 1180 taxable year is less than one hundred fifty thousand dollars:

T56	Federal Adjusted Gross Income	Deduction
T57	Less than \$100,000	100.0%
T58	\$100,000 but not over \$104,999	85.0%

T59	\$105,000 but not over \$109,999	70.0%
T60	\$110,000 but not over \$114,999	55.0%
T61	\$115,000 but not over \$119,999	40.0%
T62	\$120,000 but not over \$124,999	25.0%
T63	\$125,000 but not over \$129,999	10.0%
T64	\$130,000 but not over \$139,999	5.0%
T65	\$140,000 but not over \$149,999	2.5%
T66	\$150,000 and over	0.0%

1181 (xxiii) The amount of lost wages and medical, travel and housing
1182 expenses, not to exceed ten thousand dollars in the aggregate, incurred
1183 by a taxpayer during the taxable year in connection with the donation
1184 to another person of an organ for organ transplantation occurring on or
1185 after January 1, 2017;

1186 (xxiv) To the extent properly includable in gross income for federal
1187 income tax purposes, the amount of any financial assistance received
1188 from the Crumbling Foundations Assistance Fund or paid to or on
1189 behalf of the owner of a residential building pursuant to sections 8-442
1190 and 8-443;

1191 (xxv) To the extent properly includable in gross income for federal
1192 income tax purposes, the amount calculated pursuant to subsection (b)
1193 of section 12-704g for income received by a general partner of a venture
1194 capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to
1195 time;

1196 (xxvi) To the extent any portion of a deduction under Section 179 of
1197 the Internal Revenue Code was added to federal adjusted gross income
1198 pursuant to subparagraph (A)(xiv) of this subdivision in computing
1199 Connecticut adjusted gross income, twenty-five per cent of such
1200 disallowed portion of the deduction in each of the four succeeding
1201 taxable years;

1202 (xxvii) To the extent properly includable in gross income for federal
1203 income tax purposes, for a person who files a return under the federal

1204 income tax as an unmarried individual whose federal adjusted gross
 1205 income for such taxable year is less than seventy-five thousand dollars,
 1206 or as a married individual filing separately whose federal adjusted gross
 1207 income for such taxable year is less than seventy-five thousand dollars,
 1208 or as a head of household whose federal adjusted gross income for such
 1209 taxable year is less than seventy-five thousand dollars, or for a husband
 1210 and wife who file a return under the federal income tax as married
 1211 individuals filing jointly whose federal adjusted gross income for such
 1212 taxable year is less than one hundred thousand dollars, for the taxable
 1213 year commencing January 1, 2023, twenty-five per cent of any
 1214 distribution from an individual retirement account other than a Roth
 1215 individual retirement account;

1216 (xxviii) To the extent properly includable in gross income for federal
 1217 income tax purposes, for a person who files a return under the federal
 1218 income tax as an unmarried individual whose federal adjusted gross
 1219 income for such taxable year is less than one hundred thousand dollars,
 1220 or as a married individual filing separately whose federal adjusted gross
 1221 income for such taxable year is less than one hundred thousand dollars,
 1222 or as a head of household whose federal adjusted gross income for such
 1223 taxable year is less than one hundred thousand dollars, (I) for the taxable
 1224 year commencing January 1, 2024, fifty per cent of any distribution from
 1225 an individual retirement account other than a Roth individual
 1226 retirement account, (II) for the taxable year commencing January 1, 2025,
 1227 seventy-five per cent of any distribution from an individual retirement
 1228 account other than a Roth individual retirement account, and (III) for
 1229 the taxable year commencing January 1, 2026, and each taxable year
 1230 thereafter, any distribution from an individual retirement account other
 1231 than a Roth individual retirement account. The subtraction under this
 1232 clause shall be made in accordance with the following schedule:

T67	Federal Adjusted Gross Income	Deduction
T68	Less than \$75,000	100.0%
T69	\$75,000 but not over \$77,499	85.0%
T70	\$77,500 but not over \$79,999	70.0%

T71	\$80,000 but not over \$82,499	55.0%
T72	\$82,500 but not over \$84,999	40.0%
T73	\$85,000 but not over \$87,499	25.0%
T74	\$87,500 but not over \$89,999	10.0%
T75	\$90,000 but not over \$94,999	5.0%
T76	\$95,000 but not over \$99,999	2.5%
T77	\$100,000 and over	0.0%

1233 (xxix) To the extent properly includable in gross income for federal
1234 income tax purposes, for married individuals who file a return under
1235 the federal income tax as married individuals filing jointly whose
1236 federal adjusted gross income for such taxable year is less than one
1237 hundred fifty thousand dollars, (I) for the taxable year commencing
1238 January 1, 2024, fifty per cent of any distribution from an individual
1239 retirement account other than a Roth individual retirement account, (II)
1240 for the taxable year commencing January 1, 2025, seventy-five per cent
1241 of any distribution from an individual retirement account other than a
1242 Roth individual retirement account, and (III) for the taxable year
1243 commencing January 1, 2026, and each taxable year thereafter, any
1244 distribution from an individual retirement account other than a Roth
1245 individual retirement account. The subtraction under this clause shall
1246 be made in accordance with the following schedule:

T78	Federal Adjusted Gross Income	Deduction
T79	Less than \$100,000	100.0%
T80	\$100,000 but not over \$104,999	85.0%
T81	\$105,000 but not over \$109,999	70.0%
T82	\$110,000 but not over \$114,999	55.0%
T83	\$115,000 but not over \$119,999	40.0%
T84	\$120,000 but not over \$124,999	25.0%
T85	\$125,000 but not over \$129,999	10.0%
T86	\$130,000 but not over \$139,999	5.0%
T87	\$140,000 but not over \$149,999	2.5%
T88	\$150,000 and over	0.0%

1247 (xxx) To the extent properly includable in gross income for federal
1248 income tax purposes, for the taxable year commencing January 1, 2022,
1249 the amount or amounts paid or otherwise credited to any eligible
1250 resident of this state under (I) the 2020 Earned Income Tax Credit
1251 enhancement program from funding allocated to the state through the
1252 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,
1253 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned
1254 Income Tax Credit enhancement program from funding allocated to the
1255 state pursuant to Section 9901 of Subtitle M of Title IX of the American
1256 Rescue Plan Act of 2021, P.L. 117-2;

1257 (xxxii) For the taxable year commencing January 1, 2023, and each
1258 taxable year thereafter, for a taxpayer licensed under the provisions of
1259 chapter 420f or 420h, the amount of ordinary and necessary expenses
1260 that would be eligible to be claimed as a deduction for federal income
1261 tax purposes under Section 162(a) of the Internal Revenue Code but that
1262 are disallowed under Section 280E of the Internal Revenue Code
1263 because marijuana is a controlled substance under the federal
1264 Controlled Substance Act;

1265 (xxxii) To the extent properly includable in gross income for federal
1266 income tax purposes, for the taxable year commencing on or after
1267 January 1, 2025, and each taxable year thereafter, any common stock
1268 received by the taxpayer during the taxable year under a share plan, as
1269 defined in section 12-217ss;

1270 (xxxiii) To the extent properly includable in gross income for federal
1271 income tax purposes, the amount of any student loan reimbursement
1272 payment received by a taxpayer pursuant to section 10a-19m;

1273 (xxxiv) Contributions to an ABLE account established pursuant to
1274 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for
1275 each individual taxpayer or ten thousand dollars for taxpayers filing a
1276 joint return;

1277 (xxxv) To the extent properly includable in gross income for federal
1278 income tax purposes, the amount of any payment received pursuant to

1279 subsection (c) of section 3-122a;

1280 (xxxvi) For an account holder, as defined in section 12-724b, who files
1281 a return under the federal income tax as an unmarried individual, a
1282 married individual filing separately or a head of household, whose
1283 federal adjusted gross income for the taxable year is less than one
1284 hundred twenty-five thousand dollars or who files a return under the
1285 federal income tax as married individuals filing jointly whose federal
1286 adjusted gross income for the taxable year is less than two hundred fifty
1287 thousand dollars:

1288 (I) To the extent not deductible in determining federal adjusted gross
1289 income, for the taxable year commencing January 1, 2027, an amount
1290 equal to the contributions deposited during the taxable years
1291 commencing January 1, 2026, and January 1, 2027, in a first-time
1292 homebuyer savings account established pursuant to subsection (c) of
1293 section 12-724b, less any amounts withdrawn during said taxable years
1294 by the account holder from such account under subparagraph (D) of
1295 subdivision (2) of subsection (f) of section 12-724b. The amount claimed
1296 under this subclause shall not exceed two thousand five hundred
1297 dollars for each such taxable year for an unmarried individual, a
1298 married individual filing separately or a head of household and five
1299 thousand dollars for each such taxable year for married individuals
1300 filing jointly;

1301 (II) To the extent not deductible in determining federal adjusted gross
1302 income, for the taxable year commencing January 1, 2028, and each
1303 taxable year thereafter, an amount equal to the contributions deposited
1304 during the taxable year in a first-time homebuyer savings account
1305 established pursuant to subsection (c) of section 12-724b, less any
1306 amounts withdrawn during the taxable year by the account holder from
1307 such account pursuant to subparagraph (D) of subdivision (2) of
1308 subsection (f) of section 12-724b. The amount allowed to be claimed
1309 under this subclause for the taxable year shall not exceed two thousand
1310 five hundred dollars for an unmarried individual, a married individual
1311 filing separately or a head of household and five thousand dollars for

1312 married individuals filing jointly; and

1313 (III) To the extent properly includable in gross income for federal
1314 income tax purposes, for the taxable year commencing January 1, 2027,
1315 and each taxable year thereafter, an amount equal to the sum of all
1316 interest accrued on a first-time homebuyer savings account, established
1317 pursuant to subsection (c) of section 12-724b, during the taxable year;

1318 (xxxvii) To the extent properly includable in gross income for federal
1319 income tax purposes, for the taxable year commencing January 1, 2027,
1320 and each taxable year thereafter, for an account holder who is a qualified
1321 beneficiary of a first-time homebuyer savings account, as those terms
1322 are defined in section 12-724b, and who files a return under the federal
1323 income tax as an unmarried individual, a married individual filing
1324 separately or a head of household, whose federal adjusted gross income
1325 for the taxable year is less than one hundred twenty-five thousand
1326 dollars or who files a return under the federal income tax as married
1327 individuals filing jointly whose federal adjusted gross income for the
1328 taxable year is less than two hundred fifty thousand dollars, an amount
1329 equal to any withdrawal from such account that is used to pay or
1330 reimburse such qualified beneficiary for eligible costs, as defined in
1331 section 12-724b, incurred by the qualified beneficiary; [and]

1332 (xxxviii) To the extent properly includable in gross income for federal
1333 income tax purposes, the amount of any compensation received for
1334 attending a funeral as a member of an honor guard detail pursuant to
1335 section 27-76; and

1336 (xxxix) To the extent properly includable in gross income for federal
1337 income tax purposes, the amount of any pay received by a member of
1338 the National Guard as a result of such member being ordered out for
1339 active service pursuant to section 27-16.

1340 Sec. 20. (Effective July 1, 2026) Not later than January 1, 2027, the State
1341 Long-Term Care Ombudsman shall submit a report, in accordance with
1342 the provisions of section 11-4a of the general statutes, to the joint
1343 standing committee of the General Assembly having cognizance of

1344 matters relating to veterans' and military affairs with recommendations
1345 for (1) the establishment of an Office of the Veterans' and Military
1346 Healthcare Ombudsman, (2) the appointment of an individual to serve
1347 as the Veterans' and Military Healthcare Ombudsman to head said
1348 office, which individual shall have expertise and experience in a field
1349 concerning the health care of veterans, members of the armed forces and
1350 their families, (3) the powers and duties of said office, and (4) the staffing
1351 requirements of said office.

1352 Sec. 21. (NEW) (*Effective July 1, 2026*) (a) There is established an
1353 account to be known as the "Military Department emergency response
1354 account", which shall be a separate, nonlapsing account. The account
1355 shall contain any moneys required or permitted by law to be deposited
1356 in the account. Any balance remaining in the account at the end of any
1357 fiscal year shall be carried forward in the account for the fiscal year next
1358 succeeding.

1359 (b) The Adjutant General shall administer the account. Moneys in the
1360 account shall be used for the purpose of covering costs incurred by the
1361 Military Department, or by other state personnel and resources, in
1362 responding to an emergency, including, but not limited to, any natural
1363 disaster, civil emergency or other event requiring a state response,
1364 whenever federal moneys for such purpose are not immediately
1365 available, provided any such use shall be approved by the Governor in
1366 consultation with the Commissioner of Emergency Services and Public
1367 Protection.

1368 Sec. 22. (*Effective July 1, 2026*) For the fiscal year ending June 30, 2027,
1369 the Treasurer shall transfer the sum of five hundred thousand dollars
1370 from the Military Relief Fund, established under section 27-100a of the
1371 general statutes, to the Military Department emergency response
1372 account, established under section 21 of this act.

1373 Sec. 23. (*Effective from passage*) (a) The Commissioner of Revenue
1374 Services, in consultation with the Commissioner of Veterans Affairs and
1375 representatives of military and veterans' organizations that are exempt

1376 from federal income tax under Section 501(a) of the Internal Revenue
 1377 Code of 1986, or any subsequent corresponding internal revenue code
 1378 of the United States, as amended from time to time, and that are
 1379 operating in this state, shall conduct a study to (1) determine the amount
 1380 of tangible personal property or services purchased annually by such
 1381 organizations, and (2) evaluate the fiscal impact of establishing an
 1382 exemption from the state sales and use tax for such organizations.

1383 (b) Not later than January 1, 2027, the Commissioner of Revenue
 1384 Services shall submit a report, in accordance with the provisions of
 1385 section 11-4a of the general statutes, regarding the findings of such
 1386 study and any recommendations for legislation to the joint standing
 1387 committee of the General Assembly having cognizance of matters
 1388 relating to veterans' and military affairs.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	New section
Sec. 2	<i>October 1, 2026</i>	27-100f(b)
Sec. 3	<i>October 1, 2026</i>	27-102l(b)
Sec. 4	<i>October 1, 2026</i>	New section
Sec. 5	<i>October 1, 2026</i>	27-140
Sec. 6	<i>July 1, 2026</i>	New section
Sec. 7	<i>October 1, 2026</i>	27-102a
Sec. 8	<i>October 1, 2026</i>	14-41(a)
Sec. 9	<i>October 1, 2026</i>	1-1h(a)
Sec. 10	<i>July 1, 2026</i>	17a-248e(a)
Sec. 11	<i>January 1, 2027</i>	27-15
Sec. 12	<i>October 1, 2026</i>	27-39a
Sec. 13	<i>October 1, 2026</i>	27-19c
Sec. 14	<i>October 1, 2026</i>	27-2
Sec. 15	<i>October 1, 2026</i>	14-21cc(c)
Sec. 16	<i>October 1, 2026</i>	27-73e
Sec. 17	<i>October 1, 2026</i>	New section
Sec. 18	<i>July 1, 2026, and applicable to taxable years commencing on or after January 1, 2026</i>	12-701(a)(20)(B)

Sec. 19	<i>July 1, 2026, and applicable to taxable years commencing on or after January 1, 2027</i>	12-701(a)(20)(B)
Sec. 20	<i>July 1, 2026</i>	New section
Sec. 21	<i>July 1, 2026</i>	New section
Sec. 22	<i>July 1, 2026</i>	New section
Sec. 23	<i>from passage</i>	New section

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 \$
Soldiers, Sailors & Marines' Fund	SF - Cost	Up to 1 million	Up to 1 million
Department of Motor Vehicles	TF - Revenue Loss	Less than 50,000	Less than 50,000
Department of Motor Vehicles	TF - Cost	Minimal	None
Revenue Serv., Dept.	GF - Revenue Loss	25,000	65,000
Military Dept.	GF - Transfer from	500,000	None
Military Dept.	GF - Transfer to	500,000	None

Note: TF=Transportation Fund; SF=Special Fund (Non-appropriated); GF=General Fund

Municipal Impact: None

Explanation

The bill as amended makes various changes related to several state agencies and results in the fiscal impacts described below.

Sections 1 and 2 require the Department of Veterans Affairs (DVA) to publish certain information and warnings related to veterans' support organizations on their website and do not result in a fiscal impact.

Section 3 makes changes to the training requirements for veterans' service officers that do not result in a fiscal impact.

Sections 4 and 5 result in an annual cost of up to \$1 million to the Soldiers, Sailors, and Marines Fund (SSMF) beginning in FY 27 to establish a veterans Dental Care Access Program. The program is to be

operated by the American Legion, and the bill as amended caps the total cost of the program at \$1 million. Any expenses related to the operation of this program, including payments for dental services, will be paid out of the SSMF and fall under that cap.

Section 6 establishes a task force and does not result in a fiscal impact.

Sections 7-9 expand certain motor vehicle benefits for veterans, active military members, and reserve members called to active service, as outlined in the bill. Revenue loss from foregone fees is anticipated, collectively, to be less than \$50,000 annually to the STF. The Department of Motor Vehicles is anticipated to incur minimal one-time administrative costs in FY 27 for implementing these provisions.

Section 10 makes a change to the Birth-to-Three program that conforms to current practice and does not have a fiscal impact.

Section 11-16 makes various technical changes and rename a military training facility, and do not result in a fiscal impact.

Section 501 names the Connecticut National Guard readiness center in Putnam the "Captain-General John Dempsey Putnam Army National Guard Readiness Center", resulting in no fiscal impact as the facility is currently under construction.

Section 502, which establishes a state personal income tax deduction for certain honor guard compensation, results in a General Fund revenue loss of approximately \$25,000 annually beginning in FY 27.¹

Section 503, which establishes a personal income tax deduction for state active duty National Guard pay, results in a General Fund revenue loss of approximately \$40,000 annually beginning in FY 28.²

Section 504 requires the Office of the LTCO to submit a report

¹ From FY 22 through FY 25, total honor guard detail compensation averaged \$479,500 annually.

² From FY 22 through FY 25, National Guard state active duty compensation averaged \$790,700 annually.

regarding the establishment of the Office of the Veterans' and Military Healthcare Ombudsman, which does not result in a fiscal impact.

Sections 505 and 506 create a separate, nonlapsing account called the Military Department Emergency Response Account and transfer \$500,000 from the Military Relief Fund to this new account in FY 27. As of April 9, 2026, the Military Relief Fund has a balance of \$953,854.

Section 507 requires the Department of Revenue Services (DRS), in consultation with various other entities, to conduct a study to determine (1) the amount of tangible personal property or services purchased annually by nonprofit military and veterans' organizations and (2) the fiscal impact of establishing a sales and use tax exemption for such purchases. This does not result in any fiscal impact.

House Amendment "A" struck sections 4 and 5 of the underlying bill, eliminating the cost to the Department of Veterans Affairs and reducing the cost to the Soldiers, Sailors, and Marines' Fund (SSMF) from \$3.2 million in FY 27 and \$6.4 million in FY 28 to an annual cost of up to \$1 million to the SSMF beginning in FY 27. The amendment also names the Connecticut National Guard readiness center in Putnam, establishes two state personal income tax deductions for certain honor guard compensation and state active duty National Guard pay, requires the Office of the LTCO to submit a report regarding the establishment of the Office of the Veterans' and Military Healthcare Ombudsman, transfers \$500,000 from the Military Relief Fund to the Military Department Emergency Response Account in FY 27, and requires DRS to conduct a study.

The Out Years

State Impact:

The annualized ongoing fiscal impact identified above would continue into the future subject to the number and cost of dental claims by eligible veterans and the number of fees exempted under the bill.

Municipal Impact: None

OLR Bill Analysis**sHB 5406 (as amended by House "A")*****AN ACT CONCERNING VARIOUS MEASURES HONORING THE HEROISM OF VETERANS AND MEMBERS OF THE ARMED FORCES.**

TABLE OF CONTENTS:

SUMMARY§ 1 — AUTHORIZED REPRESENTATIVES FOR VETERANS CLAIMS

Requires the state veterans affairs commissioner to conspicuously post certain plain language warnings and links on the DVA website

§ 2 — QUALIFIED VETERANS' CHARITABLE ORGANIZATIONS LIST ON THE STATE DEPARTMENT OF VETERANS AFFAIRS WEBSITE

Changes the required documentation that charitable organizations must submit to the state DVA to be listed on the DVA website; changes the list's time requirement; permits the veterans affairs commissioner to temporarily or permanently remove organizations from this list with good cause

§ 3 — OFFICE OF ADVOCACY AND ASSISTANCE TRAININGSREQUIRES THE OAA MANAGER TO ADD SECTIONS TO EXISTING TRAINING PROGRAMS AND COMPILE A LIST OF STATE AND LOCAL RESOURCES§§ 4 & 5 — VETERAN DENTAL CARE PROGRAM

Creates a Veteran Dental Care Program to help eligible veterans receive certain dental services, capped at \$3,000 a year per veteran and \$1,000,000 per fiscal year for the program

§ 6 — STUDY ON INCENTIVIZING NURSING HOME CONTRACTS WITH USDVA

Establishes a task force to study ways to encourage nursing homes to contract with USDVA and provide care to eligible veterans

§§ 7-9 — DMV GRACE PERIOD EXTENSION AND WAIVER OF ORIGINAL LICENSURE AND IDENTITY CARD FEES FOR VETERANS

Increases the grace period for certain motor vehicle-related renewals or testing for certain armed forces members from 60 to 90 days from release from qualifying service and requires DMV to waive fees for the original issuance of a DVA-verified veterans' driver's license or identity card

§ 10 — BIRTH-TO-THREE PROGRAM

Requires the state early intervention system to take steps to provide a minimally disruptive transition of a military-connected child

§ 11 — CONNECTICUT MILITARY STAFF

Changes provisions on appointments to the governor's military staff

§§ 12 & 13 — TRAINING FACILITY IN NIAN TIC

Renames the state military training facility in Niantic

§§ 14-16 — TECHNICAL CHANGES

Makes minor and technical changes to various veterans' and military affairs statutes

§ 17 — THE CONNECTICUT NATIONAL GUARD READINESS CENTER IN THE TOWN OF PUTNAM.

Names the Connecticut National Guard Readiness Center in Putnam

§§ 18 & 19 — INCOME TAX EXEMPTIONS

Establishes state income tax deductions for (1) compensation for an honor guard detail at a veteran's funeral and (2) pay a National Guard member receives for being ordered out for active service

§ 20 — LONG-TERM CARE OMBUDSMAN STUDY

Requires the Long-term Care Ombudsman to submit a report with recommendations on creating an Office of the Veterans' and Military Healthcare Ombudsman

§§ 21 & 22 — MILITARY DEPARTMENT EMERGENCY RESPONSE ACCOUNT

Creates the Military Department emergency response account, administered by the adjutant general, to cover state costs during certain emergencies

§ 23 — VETERANS ORGANIZATION SALES AND USE TAX EXEMPTION STUDY

Requires DRS to study the amount and fiscal impact of establishing a state sales and use tax exemption for federally exempt veterans organizations

SUMMARY

This bill makes various changes to state law concerning veteran and military affairs, as described in the section-by-section analysis below.

*House Amendment "A" makes changes to the bill's veteran dental care program, including having it administered by the Soldiers, Sailors, and Marines fund's administrator instead of the Department of Veterans Affairs, changing the annual cap on the amount veterans can receive under the program, and capping the program at \$ 1 million per fiscal year. It also adds provisions on (1) the name of the state military readiness center in Putnam, (2) income tax exemptions, (3) a long-term care ombudsman study, (4) a Military Department emergency response account, and (5) a study of veterans organization sales and use tax exemptions.

EFFECTIVE DATE: Various, see below.

§ 1 — AUTHORIZED REPRESENTATIVES FOR VETERANS CLAIMS

Requires the state veterans affairs commissioner to conspicuously post certain plain language warnings and links on the DVA website

The bill requires the state veterans affairs commissioner, starting July 1, 2026, to conspicuously post on the department website a plain-language warning about:

1. people or entities acting as claims agents or attorneys without USDVA recognition (offering these services without this recognition is federally prohibited) and
2. sharing their USDVA account login or bank account login information with anyone (for example, usernames or passwords).

Under the bill, the commissioner must also post a link to a USDVA online tool that allows someone to (1) report individuals who offer services without federal recognition; (2) search for recognized claims agents, attorneys, or entities; and (3) find final disciplinary decisions for

unrecognized people or entities.

EFFECTIVE DATE: January 1, 2027

§ 2 — QUALIFIED VETERANS' CHARITABLE ORGANIZATIONS LIST ON THE STATE DEPARTMENT OF VETERANS AFFAIRS WEBSITE

Changes the required documentation that charitable organizations must submit to the state DVA to be listed on the DVA website; changes the list's time requirement; permits the veterans affairs commissioner to temporarily or permanently remove organizations from this list with good cause

Existing law requires the veterans affairs (DVA) commissioner to publish a list of veterans' charitable organizations. The bill eliminates a requirement that organizations remain on the list for three years and then reapply for continued inclusion on the list. It allows the commissioner to remove organizations temporarily or permanently from this list with good cause.

The bill also changes the required documentation for organizations. Currently, they must be charitable organizations that serve veterans and have been either a nonprofit corporation or federally tax exempt for three years. The bill instead requires organizations to provide a complete copy of their most recently filed Internal Revenue Service Form 990 (a tax form for tax exempt organizations) and proof of their status as a federally tax-exempt organization.

EFFECTIVE DATE: October 1, 2026

§ 3 — OFFICE OF ADVOCACY AND ASSISTANCE TRAININGS

Requires the OAA manager to add sections to existing training programs and compile a list of state and local resources

The bill expands the Office of Advocacy and Assistance (OAA) manager's annual training for veterans' service officers, members of municipal veterans advisory committees, directors of municipal veterans services, municipal veterans representatives, or certain public higher education institution representatives to cover all veterans, not just women veterans as currently required. It also adds a required portion on how to help and advise women veterans on issues unique to them. The bill also requires the training to include information on charitable or social service organizations that help with veterans' services or benefits.

The law already requires the manager to include in the training information on community or nonprofit programs that help veterans.

The bill expands the twice annual training for members of municipal veterans advisory committees, directors of municipal veterans services, or municipal veterans representatives to include information on community or nonprofit programs and charitable or social service organizations that may help veterans. As under existing law, this training addresses state and federal services and benefits, and assistance provided by municipalities and OAA. The bill also requires the (1) manager to make a list of state and local resources (for example, community or nonprofit programs and charitable or social service organizations) that may help veterans in need and (2) office to add the list to the training program and post it on the DVA website.

EFFECTIVE DATE: October 1, 2026

Background — OAA

OAA is an office within the state DVA that serves veterans, their spouses, and eligible dependents and family members.

§§ 4 & 5 — VETERAN DENTAL CARE PROGRAM

Creates a Veteran Dental Care Program to help eligible veterans receive certain dental services, capped at \$3,000 a year per veteran and \$1,000,000 per fiscal year for the program

The bill creates a Veterans Dental Care Program, administered by the Soldiers, Sailors, and Marines Fund administrator and using money from the fund, to help eligible veterans get certain dental services. The bill requires the administrator to sign a memorandum of understanding (MOU) with a state-wide dental organization to (1) identify dental providers to participate in this program and (2) coordinate the program's operation, including processing applications, making referrals, reviewing treatment plans, and notifying treatment plan providers.

Under the bill, eligible veterans must (1) be state residents, (2) have a service-connected disability rating of less than 100% and not already receive dental care from USDVA, (3) have a household income of up to 400% of the federal poverty level, and (4) submit proof of eligibility for assistance from the Soldiers, Sailors, and Marines Fund (see *Background – Soldiers, Sailors, and Marines Fund*) under the American Legion's bylaws.

Under the bill, a "provider" is a dental practice, dental clinic, or licensed dentist.

The bill sets an annual program cap of \$3,000 per eligible veteran for covered services. Under the bill, if an eligible veteran exceeds this annual cap, the administrator must refer the veteran to the statewide dental organization to discuss other sources of financial assistance. The bill caps program expenses at \$1 million per fiscal year.

Under the bill, the program must cover biannual examinations, fillings, root canals, crowns, prosthetics, and oral surgery. The program does not cover implants, fixed bridges, orthodontics, cosmetic services (for example, whitening or veneers), or telehealth services.

Beginning on January 1, 2027, the bill allows eligible veterans to

submit applications to the administrator on a form available at town clerks' offices (existing law requires a form be kept in town clerks' offices for the Soldiers, Sailors, and Marines Fund).

The bill requires the:

1. administrator to verify an applicant's eligibility and notify the applicant about the eligibility decision within 10 days after receiving the application (approval is valid for two years and requires a reapplication after that time);
2. administrator to refer eligible veterans to providers within 30 days after approval;
3. provider to state the dental services recommended for the eligible veteran in the treatment plan and submit it for the administrator's review;
4. administrator to approve or modify treatment plans and notify the provider about his decision within 10 days after receipt;
5. provider to begin services after receiving notification from the administrator;
6. providers to either (a) bill the fund within five days after providing services or (b) bill an eligible veterans' dental insurance first, if applicable, to determine if certain services are covered, then bill the fund for the remainder; and
7. administrator to pay the provider within 30 days after receiving a bill and notify the provider about the amount remaining on the veteran's annual benefit limit.

The bill requires the administrator, beginning by January 15, 2030, to annually consult with the state-wide organization with which it has an MOU and submit a report on the program's performance and any recommendations to the Veterans' and Military Affairs and Public Health committees.

The bill authorizes the American Legion (which must administer the Soldiers, Sailors, and Marines Fund) to use the fund to cover dental services. By law, the fund may be used to provide temporary income, subsistence items (such as food, apparel, and shelter), funeral expenses, and medical care to Connecticut veterans of any wartime period, as well as their spouses and minor children (CGS § 27-140).

EFFECTIVE DATE: October 1, 2026

Background — Soldiers, Sailors, and Marines Fund

The Soldiers, Sailors, and Marines Fund is a self-sustaining trust fund created by the legislature in 1919 to aid World War I veterans in need. To qualify, applicants must complete an application with the American Legion and demonstrate financial need. By law, the American Legion must determine applicants' eligibility and disburse aid, to the extent funds are available. It does so in accordance with state laws (CGS §§ 27-138 to -140) and its bylaws.

§ 6 — STUDY ON INCENTIVIZING NURSING HOME CONTRACTS WITH USDVA

Establishes a task force to study ways to encourage nursing homes to contract with USDVA and provide care to eligible veterans

The bill establishes a task force to study ways to encourage Medicaid-certified nursing homes in the state to contract with the USDVA to increase the number of nursing homes providing care to eligible veterans. The task force must consider (1) financial incentives; (2) ways to supplement reimbursement for care; (3) tax credits; and (4) other ways of encouraging nursing homes to provide care to eligible veterans, covered by USDVA. The bill requires the task force to include the DVA commissioner, or his designee, and one member appointed by each of the six legislative leaders (the House speaker, Senate president pro tempore, House majority and minority leaders, and Senate majority and minority leaders). Under the bill, all appointed members may be legislators, and all initial appointments must be made by January 1, 2027. Any vacancies must be filled by the appointing authority.

The bill requires the House speaker and Senate president pro

tempore to select the task force's chairpersons from among its members. The chairpersons must schedule and hold the first meeting by February 1, 2027, and the Veterans' and Military Affairs Committee's administrative staff must serve in this capacity for the task force. The bill requires the task force to report its findings and recommendations to the Veterans' and Military Affairs Committee by January 1, 2029. Under the bill, the task force ends when it submits the report or January 1, 2029, whichever is later.

EFFECTIVE DATE: January 1, 2027

§§ 7-9 — DMV GRACE PERIOD EXTENSION AND WAIVER OF ORIGINAL LICENSURE AND IDENTITY CARD FEES FOR VETERANS

Increases the grace period for certain motor vehicle-related renewals or testing for certain armed forces members from 60 to 90 days from release from qualifying service and requires DMV to waive fees for the original issuance of a DVA-verified veterans' driver's license or identity card

The bill increases the grace period for certain armed forces members, from 60 to 90 days from release from qualifying service, for certain motor vehicle-related renewals or testing (driver's licenses, car registrations, and emissions testing). This applies to members of any state's armed forces or U.S. reserve called to active service in the armed forces of any state.

Under the bill, the Department of Motor Vehicles (DMV) must also waive the fee for the original driver's license or identity card for any DVA-verified veteran (see *Background – Veteran Designation*). Previously, DMV could waive the identity card fee for a blind veteran.

EFFECTIVE DATE: October 1, 2026

Background — Veteran Designation

By law, the DMV commissioner must include a person's status as a veteran on his or her state driver's license or identity card (certain Hmong Laotian special guerilla unit members that served during the Vietnam era are also eligible for this benefit). To qualify, veterans, eligible reservists, or guerilla unit members must submit a request to the

DVA to verify their veteran status or qualifying service to the DMV commissioner (CGS § 14-36h(e) & (f)).

§ 10 — BIRTH-TO-THREE PROGRAM

Requires the state early intervention system to take steps to provide a minimally disruptive transition of a military-connected child

The bill requires the state early intervention system (Birth-to-Three Program) to take steps to provide a minimally disruptive transition for a relocating armed forces member's child who was previously enrolled in the program in another state or territory with an individualized family service plan (IFSP) (see *Background – IFSP*). The bill requires the armed forces member to have been relocating due to new orders.

Under the bill, these steps include transferring records and prior assessments, performing any reassessments, and holding a meeting within 45 days after the referral to create a written IFSP for the eligible child.

EFFECTIVE DATE: July 1, 2026

Background — IFSP

An IFSP is a written plan that describes (1) the services and supports an eligible child, under age three, will receive in the early intervention program; (2) how often they will receive these services; and (3) where this will occur.

Background — Armed Forces

By law, the "armed forces" are the U.S. Army, Navy, Marine Corps, Coast Guard, Space Force, Air Force, and any of their reserve components, including the Connecticut National Guard when under federal service (CGS § 27-103).

§ 11 — CONNECTICUT MILITARY STAFF

Changes provisions on appointments to the governor's military staff

Current law requires the governor to appoint a military staff that includes the adjutant general, assistant adjutant generals, a chief of staff for the Air National Guard, and various aides-de-camp. The bill instead allows the governor to appoint a military staff and, if he does so, requires it to consist of the adjutant general, assistant adjutant generals, and other officers and senior enlisted noncommissioned officers as the governor deems necessary. The bill eliminates certain provisions about ranks of the staff and ex officio members from the Governor's Foot Guards and Horse Guards.

It also permits the adjutant general, in addition to the governor, to appoint honorary staff to the National Guard.

EFFECTIVE DATE: January 1, 2027

§§ 12 & 13 — TRAINING FACILITY IN NIAN TIC

Renames the state military training facility in Niantic

The bill renames the state military training facility in Niantic as Camp Nett to follow Army facility naming conventions. The facility is currently named Camp Nett at Niantic.

EFFECTIVE DATE: October 1, 2026

§§ 14-16 — TECHNICAL CHANGES

Makes minor and technical changes to various veterans' and military affairs statutes

The bill makes minor and technical changes to various statutes affecting veterans' and military affairs, for example, eliminating the requirement that a specific separate, nonlapsing account be within the General Fund and a technical change to clarify that the National Guard includes the Army National Guard.

EFFECTIVE DATE: October 1, 2026

Background — Related Bill

sHB 5294, favorably reported by the Veterans' and Military Affairs

Committee, contains an identical provision on the National Guard.

§ 17 — THE CONNECTICUT NATIONAL GUARD READINESS CENTER IN THE TOWN OF PUTNAM.

Names the Connecticut National Guard Readiness Center in Putnam

The bill names the Connecticut National Guard readiness center in Putnam the “Captain-General John Dempsey Putnam Army National Guard Readiness Center.” John Dempsey was the 81st governor of Connecticut and served as both mayor of and state representative for Putnam.

EFFECTIVE DATE: October 1, 2026

Background — Related Bill

HB 5295 (File 138), reportedly favorably by the Veterans’ and Military Affairs Committee, contains a provision naming the Connecticut National Guard Readiness Center in Putnam.

§§ 18 & 19 — INCOME TAX EXEMPTIONS

Establishes state income tax deductions for (1) compensation for an honor guard detail at a veteran’s funeral and (2) pay a National Guard member receives for being ordered out for active service

The bill establishes separate state income tax deductions for (1) compensation for an honor guard detail at a veteran’s funeral and (2) any pay a National Guard member receives for being ordered out for active service, to the extent it is included as gross income for federal income tax purposes.

Under existing law, (1) an honor guard detail has up to five members, plus a bugler, each of whom are paid \$60 per day (CGS § 27-76) and (2) the president or governor may order out the National Guard for active service when necessary or in time of war, invasion, rebellion, riot, disaster, or reasonable apprehension of these things (CGS § 27-16).

EFFECTIVE DATE: July 1, 2026, and applicable to taxable years commencing on or after (1) January 1, 2026, for the honor guard provision and (2) January 1, 2027, for the National Guard provision.

Background — Related Bills

SB 377 (File 130), reportedly favorably by the Veterans' and Military Affairs Committee, contains similar provisions on creating a personal income tax deduction for military funeral honor guard detail compensation.

sHB 5296 (File 139), reportedly favorably by the Veterans' and Military Affairs Committee, contains similar provisions on creating a personal income tax deduction for national guard state active duty pay.

§ 20 — LONG-TERM CARE OMBUDSMAN STUDY

Requires the Long-term Care Ombudsman to submit a report with recommendations on creating an Office of the Veterans' and Military Healthcare Ombudsman

The bill requires the long-term care ombudsman to submit a report to the Veterans' and Military Affairs Committee on her recommendations for (1) establishing an Office of the Veterans' and Military Healthcare Ombudsman; (2) appointing a person to serve as the Veterans' Healthcare Ombudsman and head the office; and (3) the new office's powers, duties, and staffing requirements.

Background — Related Bill

sHB 5415 (File 151), reportedly favorably by the Veterans' and Military Affairs Committee, contains a provision creating the Office of the Veterans' and Military Healthcare and the Veterans' and Military Healthcare ombudsman position to oversee state and local resources to help people navigate federal healthcare benefits of both veterans, servicemembers, and their families.

§§ 21 & 22 — MILITARY DEPARTMENT EMERGENCY RESPONSE ACCOUNT

Creates the Military Department emergency response account, administered by the adjutant general, to cover state costs during certain emergencies

The bill establishes the Military Department emergency response account as a separate, nonlapsing account for the adjutant general to administer. Under the bill, the account must cover costs:

1. the state incurs in responding to an emergency (for example, a

natural disaster or civil emergency), and

2. when federal funds are not immediately available for this purpose, subject to gubernatorial approval and in consultation with the emergency services and public protection commissioner.

The bill requires (1) the account to hold any money the law requires or allows to be deposited in it and (2) any balance remaining in the account at the end of any fiscal year to be carried over for the next fiscal year. Under the bill, the treasurer must transfer \$500,000 for FY 27 from the Military Relief Fund to the account.

By law, the Military Relief Fund gives grants to service members and their families who are experiencing financial hardship due to (1) military service or (2) a serious injury or illness or the death of the service member or immediate family member. By law, the Connecticut Military Department is responsible for determining applicants' eligibility and disbursing aid, to the extent funds are available (CGS § 27-100a; Conn. Agencies Regs., § 27-100a-1 et seq.).

EFFECTIVE DATE: July 1, 2026

Background — Related Bill

sHB 5412 (File 150), reportedly favorably by the Veterans' and Military Affairs Committee, contains an identical provision creating the Military Department emergency response account.

§ 23 — VETERANS ORGANIZATION SALES AND USE TAX EXEMPTION STUDY

Requires DRS to study the amount and fiscal impact of establishing a state sales and use tax exemption for federally exempt veterans organizations

The bill requires the Department of Revenue Services (DRS) commissioner, in consultation with the DVA commissioner and representatives of federally tax-exempt military and veterans organizations operating in the state, to conduct a study to (1) determine the amount of tangible personal property or services these organizations

purchase annually and (2) evaluate the fiscal impact of establishing a state sales and use tax exemption.

The DRS commissioner must submit the study’s findings and any legislative recommendations to the Veterans’ and Military Affairs Committee by January 1, 2027.

EFFECTIVE DATE: Upon passage

Background — Related Bill

HB 5292 (File 136), reported favorably by the Veterans’ and Military Affairs Committee, contains provisions on exempting certain sales to military and veterans-related organizations from the sales and use tax.

COMMITTEE ACTION

Veterans' and Military Affairs Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/10/2026)