# House of Representatives

## *File No. 611*

General Assembly

***February Session, 2026*** ***(Reprint of File No. 167)***

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:

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

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

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

subdivision (1) of this section may be reported;

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

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

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

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 Subsection (b) of section 27-100f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

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

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

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

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

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

Sec. 3. Subsection (b) of section 27-102*l* of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 6. (*Effective July 1, 2026*) (a) There is established a task force to study available means of encouraging nursing homes in the state to become federally contracted veterans nursing homes and increase the availability of nursing home care to veterans eligible for and in need of such care. The task force shall consider financial incentives, including, but not limited to, assistance to supplement reimbursement for such care and tax credits, and other manners of promoting such nursing homes to veterans eligible for care that is covered by the United States Department of Veterans Affairs. As used in this section, "nursing home" and "federally contracted veterans nursing home" have the same meanings as provided in section 19a-533 of the general statutes.

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

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

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

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

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

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

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

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

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

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

(e) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the task force from among the members of the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than February 1, 2027.

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

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

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

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

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

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

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

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

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

(a) Any person who does not possess a valid motor vehicle operator's license may apply to the Department of Motor Vehicles for an identity card. The application for an identity card shall be accompanied by the birth certificate of the applicant or a certificate of identification of the applicant issued and authorized for such use by the Department of Correction and a fee of twenty-eight dollars. Such application shall include: (1) The applicant's name; (2) the applicant's address; (3) whether the address is permanent or temporary; (4) the applicant's date of birth; (5) notice to the applicant that false statements on such application are punishable under section 53a-157b; and (6) such other pertinent information as the Commissioner of Motor Vehicles deems necessary. The applicant shall sign the application in the presence of an official of the Department of Motor Vehicles. The commissioner may waive the fee for any applicant (A) who has voluntarily surrendered such applicant's motor vehicle operator's license, (B) whose license has been refused by the commissioner pursuant to subdivision (4) of subsection (e) of section 14-36, or (C) [who is both a veteran, as defined in subsection (a) of section 27-103, and blind, as defined in subsection (a) of section 1-1f, or (D)] who is a resident of a homeless shelter or other facility for homeless persons or a certified homeless youth or certified homeless young adult. The commissioner shall waive the fee for any applicant who has been verified by the Department of Veterans Affairs to be a veteran, as defined in section 14-36h, in accordance with the provisions of subsection (e) of section 14-36h. The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, to establish the procedure and qualifications for the issuance of an identity card to any such homeless applicant. For the purposes of this subsection, "certified homeless youth" and "certified homeless young adult" have the same meanings as provided in section 7-36.

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

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

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

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

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

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

National Guard; an air aide-de-camp with the rank of colonel, who shall be the senior aviation officer of the Connecticut National Guard; a Surgeon General, who shall be the senior medical officer of the National Guard; one aide-de-camp with the rank of colonel from the United States Air Force Reserve; one aide-de-camp with the rank of captain from the United States Naval Reserve; one aide-de-camp with the rank of colonel from the United States Marine Corps Reserve; one aide-de-camp with the rank of colonel from the United States Army Reserve; one aide-de-camp with the rank of lieutenant commander from the United States Coast Guard Reserve; five aides-de-camp, two with the rank of colonel, two with the rank of lieutenant colonel and one with the rank of major, all of whom shall be from the National Guard; and two enlisted aides-de-camp with the rank of sergeant major from the National Guard] <u>and such other officers and senior enlisted noncommissioned officers from the armed forces of the state and the armed forces of the United States as the Governor deems necessary</u>. Members appointed from the armed forces of the state shall retain their federal or state grades and shall remain subject to duty therein<u>.</u> [and, if appointed to such staff in a rank lower than the highest grade attained in federal or state service, shall serve on the staff in their highest recognized grade. Any requirement of this section that any member of the Governor's military staff shall be a member of, or hold any rank in, the National Guard shall be inapplicable whenever the National Guard is in active service with the Army, Navy or Air Force of the United States and at such time the military staff of the Governor may be appointed by the Governor from the organized or unorganized militia, ex-members of the United States Army or Navy or the Connecticut National Guard, or from civil life; and in addition to the active military staff the Governor may, at said Governor's discretion, appoint honorary staff members from the former National Guard or naval militia then on active military duty.] The Governor, <u>or the Adjutant General,</u> at any other time [,] may appoint honorary staff members to the Connecticut National Guard without regard to affiliation who shall serve without the pay, honors, privileges and benefits afforded [the] active [staff] members, including, but not limited to, allowances and tuition waivers. [The majors commandant of the first and second companies Governor's Foot Guards and the Governor's Horse Guards shall be ex-officio members of the Governor's military staff. The Governor shall also appoint the immediate predecessors of such majors commandant to serve as additional ex-officio members. In addition to the above-named officers, the Governor shall appoint three additional staff members, one of whom shall be a colonel or of equivalent naval rank and two of whom shall be majors or of equivalent naval rank.**]**

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

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

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

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

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

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

The militia shall be divided into four classes as follows: The unorganized militia, the organized militia, the National Guard and the naval militia. The National Guard for the purposes of this chapter shall consist of the Army National Guard and the Air National Guard. The unorganized militia shall consist of all male citizens and all male residents of the state who have declared their intention to become citizens of the United States, between the ages of eighteen and forty-five years, not exempt from military duty by federal or state laws or by such reasons of physical or mental disabilities as shall be prescribed in general orders or regulations published by the Adjutant General and approved by the Governor and who are not members of the organized militia or of the National Guard or of the naval militia, and all female citizens and all female residents of the state who have declared their intention to become citizens of the United States, between the ages of eighteen and forty-five years, who may voluntarily offer their services to the state. The organized militia shall consist of the Governor's Guards, the State Guard and such other military forces as may be designated by the Governor as commander-in-chief, which may hereafter be organized under the provisions of the laws of this state. The National Guard shall consist of such forces as may be organized and maintained by this state pursuant to the laws and regulations of the United States relating to the National Guard. The naval militia shall consist of such persons as may enlist or be appointed or commissioned therein as a special force for coast protection and as a naval reserve and shall be organized and maintained by this state pursuant to the laws and regulations of the United States relating to the naval militia and may include a marine corps branch of the naval militia subordinate thereto in all matters pertaining to command, discipline or administration. The organized militia, the National Guard, the naval militia and marine corps branch of the naval militia, whenever organized, shall be, for all purposes under the general statutes, the armed forces of the state.

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

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

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

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

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

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

(B) There shall be subtracted therefrom:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| Federal Adjusted Gross Income | Deduction |
|---|---|
| Less than $75,000 | 100.0% |
| $75,000 but not over $77,499 | 85.0% |
| $77,500 but not over $79,999 | 70.0% |
| $80,000 but not over $82,499 | 55.0% |
| $82,500 but not over $84,999 | 40.0% |
| $85,000 but not over $87,499 | 25.0% |
| $87,500 but not over $89,999 | 10.0% |
| $90,000 but not over $94,999 | 5.0% |
| $95,000 but not over $99,999 | 2.5% |
| $100,000 and over | 0.0% |

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

| Federal Adjusted Gross Income | Deduction |
|---|---|
| Less than $100,000 | 100.0% |
| $100,000 but not over $104,999 | 85.0% |
| $105,000 but not over $109,999 | 70.0% |
| $110,000 but not over $114,999 | 55.0% |
| $115,000 but not over $119,999 | 40.0% |
| $120,000 but not over $124,999 | 25.0% |
| $125,000 but not over $129,999 | 10.0% |
| $130,000 but not over $139,999 | 5.0% |
| $140,000 but not over $149,999 | 2.5% |
| $150,000 and over | 0.0% |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 19. Subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the 2026 supplement to the general statutes, as amended by section 18 of this act, is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026, and applicable to taxable years commencing on or after January 1, 2027*):

(B) There shall be subtracted therefrom:

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

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

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

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

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

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

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

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

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

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

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

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

Security benefits includable for federal income tax purposes; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| Federal Adjusted Gross Income | Deduction |
|---|---|
| Less than $75,000 | 100.0% |
| $75,000 but not over $77,499 | 85.0% |
| $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% |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 23. (*Effective from passage*) (a) The Commissioner of Revenue Services, in consultation with the Commissioner of Veterans Affairs and representatives of military and veterans' organizations that are exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, and that are operating in this state, shall conduct a study to (1) determine the amount of tangible personal property or services purchased annually by such organizations, and (2) evaluate the fiscal impact of establishing an exemption from the state sales and use tax for such organizations.

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

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

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

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[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:

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 NIANTIC

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 NIANTIC

*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)