



House of Representatives

General Assembly

File No. 149

February Session, 2026

Substitute House Bill No. 5409

House of Representatives, March 24, 2026

The Committee on Veterans' and Military Affairs reported through REP. FOSTER of the 57th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING TROOPS-TO-TRADES INITIATIVES.

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) (1) Not later than
2 January 1, 2027, and thereafter in accordance with the findings of the
3 study described in subsection (b) of this section, the Labor
4 Commissioner shall update the informational web page, hosted on the
5 Internet web site of the Labor Department, which serves as a central
6 repository of information, resources and materials, including links to
7 external sources of such information, resources and materials, regarding
8 job training, career counseling, workforce development organizations,
9 employers who are veteran and military-friendly or who establish and
10 commit to meeting targets for the hiring of veterans and current and
11 former members of the armed forces, and other topics relevant to the
12 state's population of current and former members of the armed forces
13 who may be transitioning from military service to a professional
14 occupation in the civilian workforce. On and after January 1, 2027, the

15 commissioner shall (A) post in a conspicuous location on such
16 informational web page details of relevant employment assistance
17 programming administered by the Military Department, as described in
18 subsection (a) of section 2 of this act, and the job fair conducted by the
19 Department of Veterans Affairs, as described in subsection (b) of section
20 3 of this act, and (B) undertake efforts to optimize the visibility of such
21 informational web page in Internet search engine results.

22 (2) On and after January 1, 2027, the Labor Commissioner, in
23 consultation with the Commissioner of Veterans Affairs and the
24 Adjutant General, shall annually solicit known and reputable providers
25 of the information, resources and materials described in subdivision (1)
26 of this subsection for items to be included on the informational web page
27 described in said subdivision.

28 (b) (1) Not later than January 1, 2028, the Labor Commissioner shall
29 study models from other states within the northeastern region of the
30 United States that deploy technology, including, but not limited to,
31 artificial intelligence, as defined in section 4-68jj of the general statutes,
32 to connect current and former members of the armed forces with
33 prospective employers based on such members' military occupational
34 specialties, educational backgrounds and professional backgrounds.
35 The commissioner shall use the findings from such study to update the
36 informational web page described in subdivision (1) of subsection (a) of
37 this section.

38 (2) Not later than February 1, 2028, the Labor Commissioner shall
39 submit a report on the commissioner's findings and recommendations
40 to the joint standing committee of the General Assembly having
41 cognizance of matters relating to veterans' and military affairs, in
42 accordance with the provisions of section 11-4a of the general statutes.

43 (c) (1) On and after January 1, 2027, the Commissioner of Veterans
44 Affairs shall send a biweekly electronic mail newsletter, containing
45 relevant resources and materials included on the informational web
46 page described in subdivision (1) of subsection (a) of this section, to
47 interested recipients. The Labor Commissioner shall make available on

48 such informational page a form through which interested persons can
49 request to receive such biweekly electronic mail newsletter, and shall
50 each month forward to the Commissioner of Veterans Affairs the
51 electronic mail addresses of those interested recipients who have made
52 such request during the preceding month.

53 (2) On and after January 1, 2027, the Commissioner of Veterans
54 Affairs shall post in a conspicuous location on the Internet web site of
55 the Department of Veterans Affairs a link to the informational web page
56 described in subdivision (1) of subsection (a) of this section.

57 Sec. 2. (NEW) (*Effective October 1, 2026*) (a) Not later than January 1,
58 2028, the Adjutant General, in consultation with the Labor
59 Commissioner and within existing resources, shall increase promotion
60 of, and periodically make improvements to, the state-based
61 employment assistance program developed and administered by the
62 Military Department for the provision of advice and information to
63 current and former members of the armed forces, including members of
64 any reserve component thereof, and of the National Guard, who are
65 considering available educational and occupational opportunities. The
66 Adjutant General and the Labor Commissioner shall tailor such
67 promotion and improvements to better supplement the federal
68 transition assistance program administered by the United States
69 Department of Defense.

70 (b) On and after January 1, 2027, at each inactive duty training
71 weekend conducted in the state by any reserve component of the armed
72 forces or by the National Guard, the Adjutant General shall post, in
73 conspicuous locations throughout the site of such inactive duty training
74 weekend, signage containing a quick response code that current
75 members of such reserve component or the National Guard can use to
76 access the informational web page described in subdivision (1) of
77 subsection (a) of section 1 of this act.

78 Sec. 3. (NEW) (*Effective October 1, 2026*) (a) The Commissioner of
79 Veterans Affairs shall hold, annually and at locations throughout the
80 state, a one-day "Stand Down" event that offers services, supplies or

81 assistance to any veteran.

82 (b) On and after January 1, 2028, the Commissioner of Veterans
83 Affairs shall include, as part of an event described in subsection (a) of
84 this section, a job fair to promote employment of current and former
85 members of the armed forces, including members of any reserve
86 component thereof, and of the National Guard. In holding such job fair,
87 the Commissioner of Veterans Affairs may coordinate with the Labor
88 Commissioner to invite representatives of employers in the state to
89 attend and present at such job fair for purposes of providing
90 information about prospective employment opportunities with such
91 employers. The Commissioner of Veterans Affairs shall publicize such
92 job fair on the Internet web site of the Department of Veterans Affairs
93 and shall include information about such job fair in the biweekly
94 electronic mail newsletter described in subdivision (1) of subsection (c)
95 of section 1 of this act.

96 Sec. 4. Section 14-11k of the 2026 supplement to the general statutes
97 is repealed and the following is substituted in lieu thereof (*Effective*
98 *October 1, 2026*):

99 (a) As used in this section, "veteran" means a veteran, as defined in
100 section 14-36h, who has verification from the Department of Veteran
101 Affairs that such person or member is a veteran.

102 (b) Notwithstanding the provisions of subsection (a) of section 1-1h,
103 subsection (a) of section 14-41 and subsection (a) of section 14-50a
104 concerning fees, the Commissioner of Motor Vehicles shall waive the fee
105 for a motor vehicle operator's license or an identity card renewal or
106 duplication for any applicant who is a veteran while attending [a one-
107 day event that offers services, supplies or assistance to veterans and is
108 hosted by the Department of Veteran Affairs] an event described in
109 subsection (a) of section 3 of this act. For any such renewal application
110 made earlier than six months prior to the date on which an applicant's
111 motor vehicle operator's license or identity card expires, the
112 commissioner shall issue to such applicant a voucher entitling such
113 applicant to renewal of such applicant's motor vehicle operator's license

114 or identity card, free of charge, during such six-month period.

115 Sec. 5. (*Effective from passage*) (a) Not later than August 1, 2026, the
116 Commissioner of Economic and Community Development shall consult
117 with the Labor Commissioner, the Commissioner of Veterans Affairs
118 and any other official, organization or entity the Commissioner of
119 Economic and Community Development deems appropriate for the
120 purpose of developing legislative recommendations for promoting
121 employment in the state of current and former members of the armed
122 forces, including members of any reserve component thereof, and of the
123 National Guard. In developing such legislative recommendations, the
124 Commissioner of Economic Development may examine the efficacy of
125 various incentives, including, but not limited to, tax credits, wage
126 subsidies and reimbursements for training.

127 (b) Not later than January 15, 2027, the Commissioner of Economic
128 and Community Development shall submit a report containing the
129 legislative recommendations developed pursuant to subsection (a) of
130 this section to the joint standing committees of the General Assembly
131 having cognizance of matters relating to labor, veterans' and military
132 affairs and commerce, in accordance with the provisions of section 11-
133 4a of the general statutes.

134 Sec. 6. (NEW) (*Effective January 1, 2027, and applicable to income years*
135 *commencing on or after January 1, 2027*) (a) As used in this section:

136 (1) "Armed forces" has the same meaning as provided in section 27-
137 103 of the general statutes;

138 (2) "Commissioner" means the Commissioner of Economic and
139 Community Development;

140 (3) "Control", with respect to a corporation, means ownership,
141 directly or indirectly, of stock possessing fifty per cent or more of the
142 total combined voting power of all classes of the stock of such
143 corporation entitled to vote. "Control", with respect to a trust, means
144 ownership, directly or indirectly, of fifty per cent or more of the

145 beneficial interest in the principal or income of such trust. The
146 ownership of stock in a corporation, of a capital or profits interest in a
147 partnership, limited liability company or association or of a beneficial
148 interest in a trust shall be determined in accordance with the rules for
149 constructive ownership of stock provided in Section 267(c) of the
150 Internal Revenue Code of 1986, or any subsequent corresponding
151 internal revenue code of the United States, as amended from time to
152 time, other than paragraph (3) of said Section 267(c);

153 (4) "Full-time job" means a job in which an employee is required to
154 work at least thirty-five hours per week for not less than forty-eight
155 weeks in a calendar year. "Full-time job" does not include a temporary
156 or seasonal job;

157 (5) "Income year" means, with respect to entities subject to the
158 insurance premiums tax under chapter 207 of the general statutes, the
159 corporation business tax under chapter 208 of the general statutes, the
160 utility companies tax under chapter 212 of the general statutes or the
161 income tax under chapter 229 of the general statutes, the income year as
162 determined under each of said chapters, as the case may be;

163 (6) "New employee" means a person who resides in the state and is
164 hired by a taxpayer on or after January 1, 2027, to fill a new job. "New
165 employee" does not include a person who was employed in the state by
166 a related person with respect to a taxpayer during the prior twelve
167 months;

168 (7) "New job" means a job that did not exist in the state prior to a
169 taxpayer's application to the commissioner for certification under this
170 section for a job expansion tax credit, is filled by a veteran employee and
171 is a full-time job;

172 (8) "Related person" means (A) a corporation, limited liability
173 company, partnership, association or trust controlled by the taxpayer,
174 (B) an individual, corporation, limited liability company, partnership,
175 association or trust that is in control of the taxpayer, (C) a corporation,
176 limited liability company, partnership, association or trust controlled by

177 an individual, corporation, limited liability company, partnership,
178 association or trust that is in control of the taxpayer, or (D) a member of
179 the same controlled group as the taxpayer;

180 (9) "Taxpayer" means a person that (A) has been in business for at
181 least twelve consecutive months prior to the date of the taxpayer's
182 application to the commissioner for certification under this section for a
183 job expansion tax credit, and (B) is subject to tax under chapter 207, 208,
184 212 or 229 of the general statutes;

185 (10) "Veteran" has the same meaning as provided in section 27-103 of
186 the general statutes; and

187 (11) "Veteran employee" means a new employee who, at the time of
188 hiring by the taxpayer, is (A) a current or former member of the armed
189 forces, or (B) a veteran.

190 (b) (1) There is established a job expansion tax credit program
191 whereby a taxpayer may be allowed a credit against the tax imposed
192 under chapter 207, 208, 212 or 229 of the general statutes, other than the
193 liability imposed by section 12-707 of the general statutes, for each
194 veteran employee hired on or after January 1, 2027. For taxpayers that
195 employ not more than fifty employees in full-time jobs in the state on
196 the date of application to the commissioner for certification under this
197 section, the creation of at least one new job in the state shall be required
198 for such tax credit. For taxpayers that employ more than fifty, but not
199 more than one hundred employees in full-time jobs in the state on the
200 date of application to the commissioner for certification under this
201 section, the creation of at least five new jobs in the state shall be required
202 for such tax credit. For taxpayers that employ more than one hundred
203 employees in full-time jobs in the state on the date of application to the
204 commissioner for certification under this section, the creation of at least
205 ten new jobs in the state shall be required for such tax credit.

206 (2) For the purposes of determining the number of new jobs a
207 taxpayer is required to create in order to claim a credit under this
208 section, the number of employees working in full-time jobs the taxpayer

209 employs in the state on the date of its application to the commissioner
210 for certification under this section shall apply to such taxpayer for the
211 duration of such certification.

212 (c) The credit shall be in a one-time amount of two thousand five
213 hundred dollars for each veteran employee hired on or after January 1,
214 2027.

215 (d) (1) The taxpayer shall claim the credit in the income year in which
216 it is earned and, if eligible, in the two immediately succeeding income
217 years. Any credit not claimed by the taxpayer in an income year shall
218 expire and shall not be refundable.

219 (2) If the taxpayer is an S corporation or an entity treated as a
220 partnership for federal income tax purposes, the shareholders or
221 partners of such taxpayer may claim the credit. If the taxpayer is a single
222 member limited liability company that is disregarded as an entity
223 separate from its owner, the limited liability company's owner may
224 claim the credit.

225 (3) No taxpayer shall claim a credit for any veteran employee who is
226 an owner, member or partner in the business or who is not employed by
227 the taxpayer at the close of the taxpayer's income year.

228 (4) No taxpayer claiming the credit under this section with respect to
229 a veteran employee shall claim any credit against any tax under any
230 other provision of the general statutes with respect to the same veteran
231 employee.

232 (e) (1) To be eligible to claim the credit, a taxpayer shall apply to the
233 commissioner in accordance with the provisions of this section. The
234 application shall be on a form provided by the commissioner and shall
235 contain sufficient information as required by the commissioner,
236 including, but not limited to, the activities that the taxpayer primarily
237 engages in, the North American Industrial Classification System code of
238 the taxpayer, the current number of employees employed by the
239 taxpayer as of the application date, and, if applicable, the name and

240 position or job title of the veteran employee. The commissioner shall
 241 consult with the Commissioner of Veterans Affairs for any verification
 242 the commissioner deems necessary of service in the armed forces of the
 243 United States by a veteran employee. The commissioner may impose a
 244 fee for such application as the commissioner deems appropriate.

245 (2) (A) Upon receipt of an application, the commissioner shall render
 246 a decision, in writing, on each completed application not later than
 247 thirty days after the date of its receipt by the commissioner. If the
 248 commissioner approves such application, the commissioner shall issue
 249 a certification letter to the taxpayer indicating that the credit will be
 250 available to be claimed by the taxpayer if the taxpayer and the veteran
 251 employee otherwise meet the requirements of this section.

252 (B) On and after January 1, 2027, the commissioner shall render a
 253 decision upon such completed applications and, if approved, issue such
 254 certification letters, as provided in subparagraph (A) of this subdivision,
 255 that pertain to veteran employees who meet the requirements of this
 256 section, and with respect to whom credits pursuant to this section have
 257 previously been granted.

258 (f) The total amount of credits granted under this section shall not
 259 exceed one million dollars in any one fiscal year.

260 (g) No credit allowed under this section shall exceed the amount of
 261 tax imposed on a taxpayer under chapter 207, 208, 212 or 229 of the
 262 general statutes. The commissioner shall annually provide to the
 263 Commissioner of Revenue Services a list detailing all credits that have
 264 been approved and all taxpayers that have been issued a certification
 265 letter under this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section
Sec. 2	October 1, 2026	New section
Sec. 3	October 1, 2026	New section
Sec. 4	October 1, 2026	14-11k

Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>January 1, 2027, and applicable to income years commencing on or after January 1, 2027</i>	New section

Statement of Legislative Commissioners:

In Section 1(a)(1)(A), "conspicuously post" was changed to "post in a conspicuous location", for clarity, and "section 3 of this act" and "section 4 of this act" were changed to "subsection (a) of section 2 of this act" and "subsection (b) of section 3 of this act", respectively, for accuracy; in Section 1(b)(1), "the region" was changed to "the northeastern region of the United States", for accuracy; in Section 1(c)(2), "conspicuously post" was changed to "post in a conspicuous location", for clarity; in Section 3(b), "subsection (a) of this act" was changed to "subsection (a) of this section", for accuracy; in Section 5(b), "economic development" was changed to "commerce", for statutory consistency; and in Section 6(e)(1), ", of any such veteran employee's disability rating or any such veteran employee's status as to discharge or release, as applicable, from the armed forces" was deleted, for consistency with other provisions of the section.

VA *Joint Favorable Subst.*

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

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Labor Dept.	GF - Cost	None	Up to 100,000
Military Dept.	GF - Potential Cost	None	Up to 224,963
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	None	Up to 89,898
Vet. Affairs, Dept.	GF - Cost	50,000	50,000
Department of Revenue Services	GF - Potential Revenue Loss	None	Up to 1 million
Department of Economic & Community Development	GF - Potential Cost	34,750	69,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill places various requirements related to current and former armed forces members on several state agencies and results in the fiscal impacts described below.

Section 1 establishes several requirements for the Department of Labor related to veteran and military member career support, including a study of models from other states in the region that deploy technology to connect such individuals with prospective employers. This results in a cost of up to \$100,000 in FY 28 for the hiring of a consultant to conduct

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

such study.

Section 2 requires the Military Department to increase promotion of and periodically improve its employment assistance program, resulting in a potential cost to the Military Department of up to \$224,963 and a potential cost to the State Comptroller of up to \$89,898 beginning in FY 28. Depending on the extent to which the department improves and promotes the program and how many transitioning servicemembers participate, the department may need to hire one Program Manager and one Executive Assistant II.² Costs of equipment and supplies for these positions are not expected to exceed \$10,000 annually.

Section 3 requires the Department of Veterans Affairs (DVA) to hold an annual “Stand Down” event at multiple locations around the state, which must include a job fair to promote the hiring of current and former members of the armed services, reserves, and National Guard. DVA currently holds six such annual events around the state that include employers and workforce development providers. These events are currently funded through the agency’s Institutional General Welfare Fund.³ Due to the depletion of this fund, it is estimated that DVA will require \$50,000 beginning in FY 27 to continue to sponsor “Stand Down” events.

Section 4 makes a technical change that does not result in a fiscal impact.

Section 5 requires the Department of Economic and Community Development (DECD) to develop legislative recommendations for promoting in-state employment of armed forces members and has no fiscal impact. It is anticipated that DECD can produce these recommendations within existing resources.

Section 6 establishes a veterans' job tax credit program and results in

² The starting salaries for these positions are \$98,695 and \$116,268, respectively. The total estimated fringe benefits cost for these positions is \$89,898.

³ This fund is currently supported via fees from residents at the Veterans' Home and private monetary donations made to the state for veterans.

a potential revenue loss of up to \$1 million annually as early as FY 28.⁴ The actual magnitude and timing of the revenue loss depends on the timing and number of qualifying jobs created. A similar expired tax credit program (the Job Expansion Tax Credit) resulted in credits being claimed for approximately 50 military jobs annually from 2012 through 2014.

The section also results in a potential cost of \$34,750 to DECD in FY 27 and \$69,500 annually thereafter to administer the Job Expansion Tax Credit program. It is anticipated that DECD will require one part-time (0.5 FTE) position at an annualized cost of \$49,000 in salary and \$20,500 in fringes to manage applications and approvals for tax credits under the program which is capped at \$1 million per year. The bill allows DECD to charge an application fee which may partially or fully offset the cost to administer this program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the scale of improvement to and promotion of the Military Department's employment assistance program and inflation.

⁴ The total amount of credits is capped at a total of \$1 million annually. Each credit is a one-time amount of \$2,500 per qualifying veteran job created.

OLR Bill Analysis**sHB 5409*****AN ACT CONCERNING TROOPS-TO-TRADES INITIATIVES.*****SUMMARY**

This bill establishes a job expansion tax credit program and various requirements and initiatives to assist current and former armed forces members transition into the civilian workforce.

Under the bill, the program gives a tax credit to businesses that create new jobs for veterans. It allows employers a \$2,500 credit for each veteran hired, with a maximum of \$1 million each fiscal year of the program.

Among other things, the bill also requires the:

1. Department of Labor (DOL) to (a) update its informational webpage with certain relevant information and resources for those transitioning from the military to the civilian workforce and (b) study models from other states that use technology to connect armed forces members with prospective employers;
2. adjutant general, to (a) increase promotion of, and periodically improve the Military Department's employment assistance program and (b) post certain signs at weekend trainings;
3. Department of Veterans Affairs (DVA) commissioner to (a) send a biweekly email with certain job-related information and (b) annually hold a one-day "Stand Down" event that offers services, supplies, or assistance to any veteran; and
4. Department of Economic and Community Development (DECD) commissioner to develop legislative recommendations for promoting in-state employment of armed forces members.

EFFECTIVE DATE: October 1, 2026, except the legislative recommendation provision is effective upon passage, and the tax credit program is effective January 1, 2027, and applicable to income years commencing on or after that date.

§ 6 — JOB EXPANSION TAX CREDIT

The bill establishes a job expansion tax credit program, substantially similar to a program that ended on January 1, 2014, where a business that hires veteran employees on or after January 1, 2027, is allowed to credit against the insurance premium, corporation business, utility company, or personal income tax, but not the withholding tax.

It allows businesses a one-time \$2,500 credit for each veteran hired, with a maximum of \$1 million each fiscal year for the program. Businesses claiming a job expansion tax credit for a new hire cannot count the veteran toward other credits the law allows.

For the tax credit , a veteran employee is (1) any current or former member of the armed forces or (2) anyone honorably discharged or released under honorable conditions, or released with an other than honorable (OTH) discharge based on a qualifying condition, from active service in the armed forces (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).

Eligible Companies and Jobs

Under the bill, a business qualifies for the credit only for new jobs for veteran employees it creates after January 1, 2027. The business must (1) have been in business for 12 consecutive months prior to its credit application and (2) be subject to any of the taxes to which the credit applies. In addition, the job to which the credit applies must (1) not have existed in Connecticut before the application and (2) be filled by a veteran employee at full-time, which does not include a temporary or seasonal job.

Businesses with 50 or fewer employees in the state qualify for the

credit if they create at least one new job; those with 51 to 100 employees, if they create at least five; and those with more than 100 employees, at least 10. The number of full-time employees the business employs in Connecticut is calculated based on when the business applies for the credit, which applies for the credit certificate's duration.

The job must require a new employee to work at least 35 hours per week for at least 48 weeks per calendar year.

A business cannot count a veteran employee as new if the employee

1. owns the business or is a member or partner in it,
2. no longer works for the business at the end of its income year, or
3. worked in Connecticut for a related business during the previous 12 months.

An employee worked for a related business if:

1. the business where the veteran formerly worked controls the business that subsequently hired him,
2. the business that hired the veteran controls the business where he or she previously worked,
3. the business where the veteran worked is part of a larger business entity that also controls the business that hired him or her, or
4. both businesses belong to the same group of controlled businesses.

A company is "controlled" by someone if the person directly or indirectly owns more than 50% of the combined voting power of all classes of its stock. In the case of a trust, control means owning 50% or more of the beneficial interest of the trust's principal or income. Ownership is determined as outlined in federal income tax law.

Application and Approval Procedure

To claim the credits, businesses must apply to DECD for a certification letter. The business must use a DECD form and give DECD enough information to determine its eligibility. The information must (1) describe the business' activities; (2) indicate its North American Industrial Classification System (NAICS) code; (3) specify the number of people employed as of the application date; and, if applicable, (4) identify the new hire's name and job title or classification.

The DECD commissioner, in his discretion, must consult with DVA commissioner to verify a person's eligibility as a veteran employee. The DECD commissioner may charge an application fee as he deems appropriate.

Claiming Credits

The DECD commissioner must issue a written decision on each completed application within 30 days after receiving it. If he approves the application, he must issue the certification letter (1) indicating that the business may claim the credit if the business and new employee meets the bill's requirements and (2) to a business employing veteran employees who met the bill's requirements for which credits were previously been granted.

The commissioner must annually give the revenue services commissioner a list of the businesses that he approved for credits and that have been issued certification letters.

The business must claim the credit in the income year in which it created the job and hired a new employee to fill it. It may claim the credit for each of the two subsequent years if the employee remains employed. The credit cannot exceed the total tax due. Unused credits expire and cannot be refunded.

The bill also allows shareholders and partners of S corporations and partnerships to claim the credit. With respect to single-member limited liability companies (LLCs) that are disregarded as entities separate from their owners, only the company's owner may claim the credit.

§§ 1 & 2 — DOL INFORMATIONAL WEBPAGE

The bill requires the DOL commissioner, by January 1, 2027, to improve and update the veteran employment information DOL provides on the Internet. First, the bill requires her to update the department's informational webpage serving as a central repository of information, resources, and materials. The webpage must include links to external sources on:

1. job training,
2. career counseling,
3. workforce development organizations,
4. employers who are veteran- and military-friendly or who establish and commit to meeting veteran hiring targets and current and former armed forces members, and
5. other relevant topics for those transitioning from the military to a professional civilian occupation.

Additionally, she must (1) post in a conspicuous location on the informational webpage details of relevant Military Department employment assistance programming (see § 3) and the DVA job fair (see § 4) and (2) try to optimize the webpage's visibility in Internet search engine results.

The bill also requires the DOL commissioner, starting January 1, 2027, to annually solicit known and reputable providers of information, resources, and materials described above. She must do this in consultation with the DVA commissioner and adjutant general.

DVA Newsletter and Website

The bill requires the DVA commissioner, starting January 1, 2027, to (1) send a biweekly email newsletter with relevant resources and materials included on the DOL informational webpage to interested recipients and (2) post a link to the webpage in a conspicuous location on the DVA's website.

Under the bill, the DOL commissioner must (1) make the informational page available in a way an interested person can ask to receive the biweekly email newsletter and (2) forward to the DVA commissioner the email addresses of those interested recipients during the preceding month.

Training Site Signage

Beginning January 1, 2027, the bill requires the adjutant general to post, in conspicuous locations throughout each inactive duty training weekend site, signage containing a quick response (QR) code that current reserve members or the National Guard can use to access the informational webpage.

§ 1 — DOL STUDY ON TECHNOLOGY USE FOR JOB CONNECTION

By January 1, 2028, the bill requires the DOL commissioner to study models from other northeastern region states that use technology, including artificial intelligence, to connect current and former armed forces members with prospective employers based on the members' military occupational specialties, and educational and professional backgrounds. The commissioner must use the study's findings to update the informational webpage.

Under the bill, the commissioner must submit a report on her findings and recommendations to the Veterans' and Military Affairs Committee by February 1, 2028.

§ 2 — MILITARY DEPARTMENT ASSISTANCE PROGRAM

The bill requires the adjutant general, in consultation with the DOL commissioner and within existing resources, to promote and periodically improve the Military Department's employment assistance program. The adjutant general and the DOL commissioner must tailor the promotion and improvements to better supplement the federal transition assistance program administered by the U.S. Department of Defense.

Currently, the program offers advice and information to current and former armed forces members, including any reserve component and

the National Guard, who are considering available educational and occupational opportunities.

§§ 3 & 4 — “STAND DOWN” EVENT

The bill requires the DVA commissioner to annually hold a one-day “Stand Down” event throughout the state that offers services, supplies, or assistance to any veteran. (In practice, DVA is already conducting these events.)

Beginning January 1, 2028, the commissioner must include, as part of these events, a job fair to promote employment of current and former armed forces members, including reserve and National Guard members.

The DVA commissioner may coordinate with the DOL commissioner to invite representatives of Connecticut employers to attend the fair and present information about prospective employment opportunities. The DVA commissioner must also publicize the job fair on the department’s website and in the biweekly newsletter required above.

§ 5 — LEGISLATIVE RECOMMENDATIONS

By August 1, 2026, the bill requires the DECD commissioner, in consultation with the DOL and DVA commissioners and any other official, organization, or entity, he deems appropriate, to develop legislative recommendations for promoting in-state employment of current and former armed forces members, including reserve and National Guard members. In developing these recommendations, the DECD commissioner may examine the effectiveness of various incentives, including tax credits, wage subsidies, and training.

The DECD commissioner must report these recommendations to the Commerce, Labor and Public Employees, and Veterans’ and Military Affairs committees by January 15, 2027.

BACKGROUND

Related Bill

sHB 5003, §§ 45-49, favorably reported by the Labor and Public

Employees Committee, has substantially similar provisions related to the DOL informational webpage, study on technology use for job connection, the “stand down” event, and legislative recommendations.

COMMITTEE ACTION

Veterans’ and Military Affairs Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/10/2026)