

# Finance, Revenue and Bonding Committee

## JOINT FAVORABLE REPORT

**Bill No:** HB-5445 / [Bill Status](#) / [Public Hearing Testimony](#)

**Title:** AN ACT CONCERNING THE AMORTIZABLE BOND PREMIUM SUBTRACTION  
FOR PURPOSES OF THE PERSONAL INCOME TAX.

**Vote Date:** 3/30/2026

**Vote Action:** Joint Favorable

**PH Date:** 3/11/2026

**File No.:**

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### SPONSORS OF BILL:

Finance, Revenue, & Bonding Committee

### REASONS FOR BILL:

The aim of this bill is to simplify the amortizable bond premium subtraction for the state of Connecticut's personal income tax by removing the trade and business link. By doing so, it hopes to expand eligibility, allowing people to subtract bond premium authorization regardless of business activity.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

### NATURE AND SOURCES OF SUPPORT:

**Connecticut Society of CPAs, Bonnie Stewart, CEO** submitted testimony in support of this legislation sharing that it aims to eliminate the requirement that the amortizable bond premium subtraction used to calculate Connecticut adjusted gross income be attributable to a trade or business of the taxpayer. Bonnie stated that the CTCPA is supportive of this legislation as it addresses an area of the personal income tax that is unnecessarily technical and difficult to administer. She noted that under current law, practitioners often must perform complex calculations to address the disallowance of bond premium amortization for non-Connecticut municipal bonds. She added that these calculations are not intuitive, adds time and cost to the return preparation process, and increases the likelihood of filing errors. Bonnie expressed that complexity leads to unnecessary audit burdens, because when tax law mandates non-standard adjustments that are hard for taxpayers and preparers to

calculate consistently, those adjustments become a focus during audits, which shifts time and resources for the Department of Revenue Services and taxpayers without providing a matching policy benefit. Bonnie emphasized that this legislation simplifies the treatment of amortizable bond premiums and clarifies that the subtraction should not depend on whether the premium is attributable to a trade or business. She shared that this bill appears to do this by removing the bond premium language from the subsection related to trade or business expenses, consistent with the bill's stated purpose. Bonnie suggested that the committee amend existing law to explicitly allow bond premium amortization on non-Connecticut municipal bonds. She added that the law should include a basis adjustment, and notes that either option would significantly improve compliance and administration. Bonnie raised that this change would promote fairness and consistency by removing a hidden penalty for investing in non-Connecticut municipal bonds. She continued saying that taxpayers should not encounter a more complex or less favorable state tax outcome because a municipal bond was issued outside of Connecticut, and a clearer rule would cut administrative costs, reduce the likelihood of mistakes, and make audits and return preparation more efficient.

**The following submitted testimony in support of this legislation noting that tax practitioners are required to perform detailed calculations to disallow bond premium amortization for municipal bonds issued outside of the state. They added that these adjustments are time-consuming and confusing for taxpayers and practitioners, as the complexity of these calculations increases return preparation time, creates opportunities for errors, and frequently becomes an area of scrutiny during audits, diverting resources from taxpayers and the Department of Revenue Services. They noted that allowing bond premium amortization on non-Connecticut municipal bonds – or alternatively providing a basis adjustment – would simplify compliance and promote greater consistency within the tax code. Their shared current rules effectively create a hidden penalty for investors holding municipal bonds issued outside the state, resulting in uneven tax treatment among municipal issuers. They emphasized that simplifying the treatment of bond premiums would reduce administrative costs, streamline tax compliance, and promote clearer and more transparent filing requirements:**

Charles Bailey, CPA

Steven Bokoff, CPA

Samantha Carini, CPA

Connecticut Society of CPAs, Alan J. Clavette, Stax Tax Committee Chair

CTCPAs, Alan Clavette, Managing Partner

Robert Fabricant, CPA

Frederik Landwehr, CPA

Amber Moore, CPA

Goldblatt Bokoff LLC, Brad Oatley, CPA

The Innovative CPA Group LLC, Paul Piasecki, Partner

Sandra Pierog, CPA

Ereida Spaho

Weinshel, Wynnicks & Assoc. LLC, Mark Wynnicks, Managing Member & CPA

#### **NATURE AND SOURCES OF OPPOSITION:**

One individual submitted testimony in opposition of the bill.

**Reported by: Tyler Fischer**

**Date: 4/10/26**