

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No: SB-1 / [Bill Status](#) / [Public Hearing Testimony](#)

Title: AN ACT CONCERNING AFFORDABILITY.

Vote Date: 3/30/2026

Vote Action: Joint Favorable

PH Date: 3/27/2026

File No.:

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SPONSORS OF BILL:

Finance, Revenue & Bonding Committee

REASONS FOR BILL:

S.B. 1 was introduced to address the rising cost of living for residents and businesses in the state by implementing a range of cost-reduction and consumer protection measures. In response to increasing utility rates, the bill seeks to improve oversight, transparency, and long-term planning within the energy sector while promoting affordability and reliability. Additionally, the bill includes targeted tax relief, such as reductions to the sales tax on certain goods, to provide more immediate financial relief to consumers. It also includes provisions intended to lower household expenses, such as measures related to energy cost mitigation and expanded consumer relief efforts, in order to ease overall financial burdens on residents.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

Bob Anderson

Anderson supports S.B. 1, but comments that the maximum allowable credit against the income tax proposed in the bill does not directly target affordability. He argues that the state should reduce or eliminate the income tax, along with sales tax.

Luis Barraza

Barraza supports S.B. 1, but proposes eliminating sales tax completely to increase affordability and enhance quality of life for the middle class.

Marlene Chickerella, Chair, Home Care Association of America

The Home Care Association of America expresses support for Section 4 of S.B. 1, which establishes a family caregiver tax credit. The organization describes the credit as a meaningful form of financial relief for low and moderate-income households, covering up to 50 percent of qualified caregiving expenses, with a maximum annual benefit of \$2,000. The association emphasizes the critical role family caregivers play in supporting seniors, individuals with disabilities, and veterans, often while managing employment and other responsibilities. They noted that caregivers frequently incur significant out-of-pocket expenses and that these financial burdens can be particularly challenging for lower-income families. HCAOA Connecticut also argued that the proposed credit could help individuals remain in their homes and reduce reliance on more expensive institutional care, potentially lowering long-term Medicaid costs. The organization characterized the provision as a practical, fiscally responsible policy and urged the committee to support its inclusion in the bill.

Sean Ghio, Policy Director, Partnership for Strong Communities

Ghio submitted testimony in support of S.B. 1, highlighting the renter's tax credit proposed in the bill. He notes that renters currently lack access to comparable tax relief available to homeowners, despite increasing barriers to homeownership. He cited data indicating that the gap between wages and rental costs continues to widen, with many renters spending more than half of their income on housing. Ghio emphasizes that this financial strain disproportionately affects lower-income households and further limits pathways to homeownership. He argues that the proposed renter's tax credit would help alleviate these pressures and serve as a practical, targeted form of relief for financially burdened renters.

Samuel Gold, Executive Director, Lower Connecticut River Valley Council of Governments

Samuel Gold, on behalf of the Lower Connecticut River Valley Council of Governments (RiverCOG), submitted testimony in support of S.B. 1, particularly the provision establishing a personal income tax credit for a portion of rent paid by qualifying taxpayers. He stated that the proposal would provide direct financial relief to middle- and lower-income renters, many of whom spend a significant share of their income on housing, while having no negative impact on municipal grand lists or property tax revenues. Gold also noted that the bill does not specify how rent payments would be verified and suggested that landlords could provide annual receipts or reports to tenants as a practical solution.

Laura Hoch, Associate Vice President of State Advocacy & Policy, National Multiple Sclerosis Society

Laura Hoch submitted testimony in support of S.B. 1, specifically Section 4, which establishes a family caregiver tax credit. She emphasized that individuals living with multiple sclerosis (MS) often rely on unpaid family caregivers who provide extensive daily support while facing significant financial burdens, including out-of-pocket expenses and lost income. Hoch noted that caregiving responsibilities can also require costly home modifications to maintain safety and independence. She argued that the proposed tax credit would provide meaningful financial relief, help families better manage long-term care needs, and support caregivers' well-being, ultimately allowing more individuals to remain in their homes rather than transitioning to institutional care.

Ted Huizinga, CEO, Eastern Mechanical Services

Huizinga strongly supports S.B. 1, citing its potential to reduce financial burdens on both employees and businesses. The testimony highlighted provisions such as sales tax exemptions on essential goods, which were described as providing immediate relief to working families, and incentives for energy-efficient equipment, which could lower long-term costs and encourage investment in modern systems. The company also supported expanded tax credits for caregivers and renters, as well as the full deductibility of Social Security income, noting that these measures address real financial pressures faced by its workforce. Overall, the testimony emphasized that improving affordability would strengthen workforce stability, employee retention, and the broader state economy.

Jennifer L. Jennings, Executive Director, Connecticut Heating & Cooling Contractors Association

Jennings expresses support for the bill, acknowledging that it addresses barriers to advancing energy efficiency and affordability. She emphasized that the upfront cost of heating and cooling equipment, which include installation fees and applicable sales tax, have made the purchase of essential systems difficult for many families across the state. Jennings proposes new language in the bill that includes HVAC equipment, furnaces, boilers and other heating and cooling equipment in the removal of sales tax.

Jordan Stillman, Immediate Past President, Connecticut Heating & Cooling Contractors Association

Stillman submitted testimony in support of S.B. 1, citing the bill's household appliance sales and use tax exemption of particular importance. Household appliances, which include furnaces, boilers, and central air conditioning systems, represent one of the most significant expenses for Connecticut residents. A sale and use tax exemption would make the replacement of these essential items more attainable and would encourage homeowners to replace aging systems with more energy efficient equipment. This not only reduces financial burden on homeowners but also advances the state's energy and environmental goals. There is a suggestion to amend the language to explicitly list HVAC equipment in the definition of "household appliances" listed in the bill.

Senator Martin Looney, Senate President Pro Tempore, Connecticut General Assembly

Senator Looney outlines the provisions of S.B. 1, stating its contents were created to target the current state of the national economy. The current economic climate poses high interest rates, increased insurance rates, lack of available housing, as well as high prices have imposed financial challenges on many Connecticut residents. The goal of S.B.1 is to provide targeted relief for those who are most impacted by current economic affairs.

Andy Markowski, State Director, National Federation of Independent Businesses

Markowski supports the bill, specifically Section 1 which would establish a permanent sales tax exemption for clothing items under \$100, school supplies, as well as household appliances among others. He describes how critical these sales tax exemptions are for improving affordability throughout the state of Connecticut, particularly for lower and middle-class residents, and small businesses. The inclusion of Energy Star-rated appliances is another important component that helps reduce costs for consumers and helps drive demand for installation and replacement work.

Maureen C. McIntyre, Chief Operating Officer, Atwood Dementia Services

McIntyre expresses support for the caregiver tax credit outlined in S.B.1, stating that it provides a fiscally sound solution to addressing healthcare disparities across Connecticut. She notes that many caregivers pay out-of-pocket for caregiving-related expenses, while also facing significant physical and emotional stress. The tax credit proposed in the bill would help relieve some of the financial burden, while providing a meaningful and effective way to support Connecticut families.

Carol Noble, President, Association of Retired Teachers of Connecticut

Noble submitted testimony on behalf of the Association of Retired Teachers of Connecticut in support of S.B. 1, citing current inflationary trends and increasing cost of living as pressing concerns. She calls attention to the Social Security tax deductions proposed in the bill as beneficial to relieving these concerns, while also helping to retain teachers in the state of Connecticut.

Werner Oyanadel, Principal Commission Analyst, Connecticut Commission on Women, Children, Seniors, Equity, and Opportunity (CWCSEO)

Oyanandel's testimony supports S.B. 1 as a comprehensive response to rising cost-of-living pressures affecting Connecticut residents, including housing, utilities, groceries, and other necessities that have increasingly outpaced wages. The testimony highlights that affordability challenges are

especially significant for renters, seniors, working families, and caregivers, and are closely linked to food insecurity and broader financial instability. It explains that S.B. 1 addresses these issues through a combination of tax relief measures, including exemptions on certain essential goods such as clothing, school supplies, and some household appliances, an increase in the property tax credit, and new targeted credits for renters and family caregivers. The testimony also supports the full exemption of Social Security income from state income tax to better protect fixed-income seniors. Overall, the bill is framed as a targeted effort to reduce household financial strain and improve economic stability across diverse populations.

Bernadette Perez

Perez, a Guilford resident with multiple sclerosis (MS), describes the critical support her husband provides as a caregiver. She describes how caregiving can be demanding of one's time, energy, and financial resources, even for individuals with insurance. The caregiver tax credit proposed in Section 4 would provide a source of financial relief considering these challenges.

Tim Phelan, President, Connecticut Retail Network

Phelan submitted testimony in support of S.B. 1, emphasizing the importance of affordability and consumer relief for Connecticut households. He highlighted the retail sector's significant role in the state economy and noted that most retail businesses are small businesses that are directly affected by consumer purchasing power. The testimony supports the bill's sales tax exemptions on essential goods such as clothing, school supplies, and certain energy-efficient household appliances, stating that these measures would help families manage household budgets and reduce the cost of necessities. Overall, the testimony frames the bill as a measure that would support consumers by reducing costs, improving affordability, and strengthening the broader retail and local economic environment.

Francis R. Pickering, Executive Director, Western Connecticut Council of Governments

Western Connecticut Council of Governments (WestCOG) submitted testimony on S.B. 1 supporting efforts to improve affordability for Connecticut residents, while emphasizing that additional relief can be achieved by increasing participation in existing federal programs. The testimony highlights that many eligible households do not claim the federal Earned Income Tax Credit, resulting in significant unclaimed benefits that could provide income support and stimulate local economic activity. It also notes underutilized federal commuter tax benefits that could reduce transportation costs and increase take-home pay if more widely accessed. WestCOG recommends expanding outreach and access to tax assistance programs to improve participation. Overall, the testimony frames affordability as achievable through both state policy changes and greater use of existing federal resources.

Spring Raymond, President & CEO, Western Connecticut Area Agency on Aging

Raymond submitted testimony in support of S.B. 1, emphasizing widespread affordability challenges across Western Connecticut, particularly for older adults, individuals with disabilities, and working families. The testimony cites ALICE data showing that a significant share of households across all 41 towns served are unable to afford basic necessities such as housing, food, and healthcare. Raymond supports S.B. 1's provisions, including the elimination of state income tax on Social Security benefits, expanded tax credits for housing and caregiving expenses, and exemptions on essential goods, as measures that provide meaningful relief to cost-burdened households. Overall, the bill is framed as addressing urgent affordability needs while supporting the ability of older adults to age in place.

Diego Reyes, Campaign Strategy Intern, The Connecticut Project Action Fund

Reyes, a Human Rights student at the University of Connecticut, shares how rent increases have directly resulted in his family moving from New York in 2019. He acknowledges that other individuals and families across the state are facing similar challenges as the cost of living continues to increase. Reyes is supportive of the renter's tax credit proposed in S.B. 1, and cites polling data collected by The Connecticut Project Action Fund demonstrating bipartisan support across Connecticut. He also

notes that other states such as Maine, Vermont and Michigan have implemented this policy with success.

Brianna Rodriguez

Rodriguez submitted testimony in support of the renter's tax credit proposed in S.B.1, noting that thousands of Connecticut residents have expressed difficulty in paying their rent. She cites that one in three Connecticut residents are renters, with one in six spending at least half of their income on housing. The renter's tax credit would help support these individuals and families who are struggling to pay for living expenses and fulfill their financial obligations.

Sana Shah, Director of Policy and Advocacy, The Connecticut Project Action Fund

Shah submitted testimony in support of S.B. 1, emphasizing the state's growing housing affordability crisis, particularly for renters. The testimony highlights that a significant share of Connecticut renters are cost-burdened due to rapidly rising rents that have outpaced wage growth, with low and moderate-income households most affected. It strongly supports the bill's refundable renter's tax credit, arguing that it would provide meaningful, targeted relief by reducing housing cost burdens for eligible households who often do not receive housing voucher assistance. The testimony also notes that renters are more likely to face financial instability and that the credit would help improve affordability while supporting broader economic stability. Overall, it frames S.B. 1 as an evidence-based policy that expands fairness in the tax system and provides essential relief to renters across the state.

Natalie Shurtleff, Associate State Director, Advocacy and Community Outreach, AARP Connecticut

AARP Connecticut submitted testimony in support of Section 4 of S.B. 1, which establishes a caregiver tax credit, emphasizing the significant role of the state's estimated 773,000 unpaid family caregivers. The testimony highlights that many caregivers provide extensive daily assistance with activities such as medical care, transportation, and household needs, often at substantial personal financial cost, including out-of-pocket expenses averaging over \$7,000 annually. It notes that caregiving can lead to financial strain such as debt, reduced savings, and difficulty paying bills, while also helping to delay or prevent more costly institutional care. AARP supports the caregiver tax credit as a meaningful step to provide financial relief, recognize caregivers' contributions, and reduce long-term costs to the state system.

Mike Sopchak, Advocacy Volunteer, AARP Connecticut

Mike Sopchak, an AARP Connecticut advocacy volunteer, submitted testimony in support of Section 6 of S.B 1, which would eliminate income thresholds for state income tax deductions on Social Security benefits. The testimony explains that current limits restrict full tax relief for many middle-income retirees and argues that removing these thresholds would expand affordability for older residents on fixed incomes facing rising costs. It also notes growing concerns among older adults about the cost of living in Connecticut and the financial strain caused by inflation. Overall, the proposal is framed to improve financial stability for retirees and help them remain in their homes and communities.

NATURE AND SOURCES OF OPPOSITION:

John Chunis

Chunis voices opposition to the bill, arguing that the renter's tax credit outlined in Section 5 should be expanded to apply to both renters and homeowners. He contends that first-time homeowners face significant affordability challenges, including variable-rate and balloon mortgages, high property taxes, and rising living expenses similar to those experienced by renters. Chunis further suggested that limiting the credit to renters may unintentionally discourage homeownership by incentivizing individuals to remain renters, potentially exacerbating the state's housing shortage.

The following submitted testimony expressing general opposition to S.B. 1:

John Hooper

Sylvia Mather

Holly Stuart

Alan Young Sr

GENERAL COMMENTS:

Representative Vincent Candelora, House Minority Leader, Connecticut House Republican Caucus

Representative Candelora expresses appreciation for the tax relief proposals included in S.B. 1, while emphasizing that Connecticut needs long-term changes that are necessary to address affordability concerns. He highlights the significant increases in motor vehicle costs since the pandemic, citing data indicating prices have risen nearly 20 percent over the past five years, with the average cost of a new vehicle now exceeding \$49,000. Given that the state's "luxury" tax threshold remains at \$50,000, he argues that the current structure effectively treats standard vehicles as luxury items and suggests the threshold be increased. He also raises concerns about the taxation of Social Security benefits, recommending that the state eliminate or reduce this tax to provide relief to seniors.

Kate Dias, President, Connecticut Education Association

Dias and Joslyn DeLancey, Vice President of the Connecticut Education Association, express support for S.B.1, highlighting provisions that provide sales tax relief on school supplies as beneficial to teachers and families. The organization notes that many teachers spend significant amounts of their own money on classroom materials, with a majority reporting equal or increased out-of-pocket expenses in recent years due to inflation. CEA also emphasizes that sales taxes disproportionately impact lower and middle-income households, making such relief particularly meaningful. In addition, CEA supports tax deductions on Social Security income to assist retirees, including retired teachers living on fixed incomes. While endorsing the bill's affordability measures overall, the organization also encouraged consideration of an additional income tax credit for educators to help address low salaries, improve recruitment, and retain teachers in the state.

Donald McMenemy

McMenemy supports the intent of S.B.1, particularly Section 4 which would create a caregiver tax credit. However, there is concern that the income limit of \$50,000 would be too exclusionary; many throughout the state who serve as caregivers make beyond this threshold and would not be eligible for the tax credit. McMenemy suggests increasing the income limit so that more families can continue to support their loved ones.

Patrick O'Brien, Research and Policy Director, Connecticut Voices for Children

O'Brien comments on the sales and use tax exemptions described in Section 1, recommending that support should be extended to low and middle-income households directly through targeted refundable tax credits. There is also a recommendation for a more targeted approach with the Property Tax Credit increases in Section 3, the caregiver tax credit in Section 4, as well as the Renter Tax Credit in Section 5. O'Brien also expresses opposition to Section 6, which establishes Social Security personal income tax exemptions regardless of income level. This exemption would provide tax relief to high-income retirees, who already receive substantial support through Connecticut's tax system.

