



General Assembly

February Session, 2026

**Proposed Bill No. 5018**

LCO No. 135



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

REP. TURCO, 27th Dist.

REP. DEMICCO, 21st Dist.

**AN ACT ESTABLISHING A PERSONAL INCOME TAX DEDUCTION FOR CERTAIN PAYMENTS RECEIVED FROM AN INSURANCE COMPANY.**

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

- 1 That section 12-701 of the general statutes be amended to establish a
- 2 personal income tax deduction for the portion of any payment from an
- 3 insurance company received by a taxpayer (1) in exchange for a buyout
- 4 or cancellation of a long-term care insurance policy, and (2) that is
- 5 properly includable in gross income for federal income tax purposes.

**Statement of Purpose:**

To establish a personal income tax deduction for the portion of any payment from an insurance company received by a taxpayer (1) in exchange for a buyout or cancellation of a long-term care insurance policy, and (2) that is properly includable in gross income for federal income tax purposes.