



General Assembly

February Session, 2026

Committee Bill No. 5114

LCO No. 2914



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT ESTABLISHING A REFUNDABLE CREDIT AGAINST THE PERSONAL INCOME TAX FOR A PORTION OF ANNUAL RENT PAYMENTS MADE BY A TAXPAYER FOR A PRIMARY RESIDENCE IN THE STATE.

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

1 Section 1. (NEW) (*Effective January 1, 2027*) (a) As used in this section:

2 (1) "Condominium" has the same meaning as provided in section 47-
3 68a of the general statutes;

4 (2) "Common interest community" has the same meaning as provided
5 in section 47-202 of the general statutes;

6 (3) "Dwelling unit" has the same meaning as provided in section 47a-
7 1 of the general statutes;

8 (4) "Eligible renter" means an individual (A) who rented and
9 occupied one or more dwelling units in the state for the entirety of the
10 applicable taxable year as such individual's primary residence and paid
11 rent for such dwelling unit or units, (B) who was not claimed as a
12 dependent on another individual's federal income tax return for the

13 applicable taxable year, and (C) whose federal adjusted gross income
14 for the applicable taxable year does not exceed (i) seventy-five thousand
15 dollars for individuals who file a return under the federal income tax as
16 an unmarried individual, a married individual filing separately or a
17 head of household, or (ii) one hundred fifty thousand dollars for
18 individuals who file a return under the federal income tax as married
19 individuals filing jointly;

20 (5) "Hotel", "lodging" and "bed and breakfast establishment" have the
21 same meanings as provided in section 12-407 of the general statutes;

22 (6) "Mobile manufactured home" has the same meaning as provided
23 in section 12-63a of the general statutes; and

24 (7) "Short-term rental" has the same meaning as provided in section
25 12-408h of the general statutes.

26 (b) Any eligible renter who is subject to the tax imposed under
27 chapter 229 of the general statutes for any taxable year commencing on
28 or after January 1, 2027, shall be allowed a credit against the tax
29 otherwise due under chapter 229 of the general statutes, other than the
30 liability imposed by section 12-707 of the general statutes, in an amount
31 equal to twenty per cent of the eligible renter's annual rent actually paid
32 by the eligible renter for the applicable taxable year, minus four per cent
33 of the eligible renter's federal adjusted gross income for the applicable
34 taxable year, provided the amount of the credit for any taxable year shall
35 not exceed (1) for any eligible renter who files a return under the federal
36 income tax as an unmarried individual, a married individual filing
37 separately or a head of household, two thousand five hundred dollars,
38 and (2) for any two eligible renters who file a return as married
39 individuals filing jointly, two thousand five hundred dollars jointly for
40 such two eligible renters.

41 (c) If the amount of the credit allowed pursuant to this section exceeds
42 the taxpayer's liability for the tax imposed under chapter 229 of the
43 general statutes, the Commissioner of Revenue Services shall treat such

44 excess as an overpayment and, except as provided under section 12-739
45 or 12-742 of the general statutes, shall refund the amount of such excess,
46 without interest, to the taxpayer.

47 (d) For the purposes of this section:

48 (1) "Rent" includes (A) the amount of heat, hot water, gas, electricity,
49 furniture and parking, to the extent the landlord makes no separate
50 charge for such items, and (B) the rental of a mobile manufactured home
51 or of the leasehold site being occupied by the taxpayer's mobile
52 manufactured home, or both.

53 (2) "Rent" does not include (A) amounts paid as a security deposit or
54 amounts paid for the last month's rent upon entering into a rental or
55 lease agreement, unless such amounts are applied to unpaid rent, (B)
56 payments by a tenant-stockholder of a cooperative housing corporation
57 to such corporation, (C) payments by a tenant or an owner of a
58 condominium or a unit in a common interest community to the
59 respective unit owner association, (D) consideration paid for the
60 occupancy of a hotel, lodging house, bed and breakfast establishment or
61 short-term rental, unless such premises are occupied under a rental or
62 lease agreement, or (E) payment in kind by the tenant to the landlord.

63 (e) Commencing in the taxable year commencing January 1, 2028, and
64 annually thereafter, the Commissioner of Revenue Services shall submit
65 a report, in accordance with the provisions of section 11-4a of the general
66 statutes, to the joint standing committee of the General Assembly
67 having cognizance of matters relating to finance, revenue and bonding,
68 of the total amount of credits claimed under this section for the previous
69 taxable year and such other deidentified and disclosable information
70 that is requested by said committee concerning the credit allowed under
71 this section, to enable said committee to evaluate whether any changes
72 should be made to the income thresholds or credit amounts set forth in
73 this section.

74 (f) The commissioner may (1) coordinate with the Department of

75 Housing and other state agencies to promote public awareness of the
76 credit under this section, and (2) adopt regulations, in accordance with
77 the provisions of chapter 54 of the general statutes, to implement the
78 provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2027	New section

Statement of Purpose:

To establish a refundable credit against the personal income tax for a portion of annual rent payments actually made by a taxpayer for a taxable year for a primary residence in the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. ROJAS, 9th Dist.; REP. WINTER, 94th Dist.
 REP. NOLAN, 39th Dist.; REP. GAUTHIER, 38th Dist.

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