



General Assembly

Substitute Bill No. 5409

February Session, 2026



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	from passage	New section

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