



General Assembly

Substitute Bill No. 9

February Session, 2026



AN ACT SUPPORTING COMMUTERS AND MICROTRANSIT SERVICES.

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

1 Section 1. (NEW) (*Effective January 1, 2027, and applicable to income*
2 *years commencing on or after January 1, 2027*) (a) As used in this section:

3 (1) "Eligible employer" means any corporation licensed to operate a
4 business in the state that is subject to the tax imposed under chapter 208
5 of the general statutes, employs at least five employees in the state and
6 provides a qualified commuter transportation benefit to one or more
7 participating employees. For the purposes of this subdivision, the
8 number of employees shall be the average number of employees
9 employed during the preceding twelve months;

10 (2) "Qualified commuter transportation benefit" means any benefit
11 provided by an eligible employer to an employee for the purpose of
12 commuting between the employee's residence and place of
13 employment, including (A) transportation in a commuter highway
14 vehicle, as defined in 26 USC 132(f)(5), as amended from time to time,
15 (B) any transit pass entitling the holder of such pass to transportation on
16 public transit services, (C) participation in the CTPass program
17 established pursuant to section 13b-38ee of the general statutes, and (D)
18 any other transportation benefit that qualifies as a qualified

19 transportation fringe under 26 USC 132(f), as amended from time to
20 time. "Qualified commuter transportation benefit" does not include
21 reimbursement for fuel or mileage for the use of a single occupancy
22 vehicle to commute between the employee's residence and place of
23 employment; and

24 (3) "Participating employee" means an employee who works at least
25 twenty hours per week in the state and receives a qualified commuter
26 transportation benefit.

27 (b) For income years commencing on or after January 1, 2027, any
28 eligible employer who provides a qualified commuter transportation
29 benefit to one or more participating employees shall be allowed a credit
30 against the tax imposed under chapter 208 of the general statutes. The
31 amount of such credit shall be equal to fifty per cent of the increase, if
32 any, in the total cost of the qualified commuter transportation benefit
33 provided to participating employees during the income year that
34 exceeds the total cost of such benefit provided during the immediately
35 preceding income year.

36 (c) If an eligible employer did not provide any qualified commuter
37 transportation benefit in the immediately preceding income year, the
38 entire amount of the qualified commuter transportation benefit
39 provided in the current income year shall be deemed to be the increase
40 for purposes of subsection (b) of this section.

41 (d) The credit allowed under this section shall not exceed five
42 hundred dollars per participating employee per year calculated with
43 respect to the increase in the qualified commuter transportation benefit
44 described in subsection (b) of this section. The total amount of the credits
45 authorized under this section shall not exceed one million five hundred
46 thousand dollars in any income year.

47 (e) An employer seeking to claim a credit under this section shall
48 apply to the Commissioner of Transportation for a tax credit voucher
49 and shall provide with the application such documentation and
50 independent certification as the commissioner may require pertaining

51 to the amount of the qualified commuter transportation benefit and
52 certifying that such benefit was actually provided to eligible employees.
53 If the commissioner determines that such employer is eligible to be
54 issued a tax credit voucher, the commissioner shall enter on the voucher
55 the amount of the credit allowed. The commissioner shall provide a
56 copy of such voucher to the Commissioner of Revenue Services upon
57 request.

58 (f) The Commissioners of Transportation and Revenue Services may,
59 for purposes of determining the correctness of any credit claimed
60 pursuant to this section, examine any books, papers and records relating
61 to the documentation provided with an application for a tax credit
62 voucher under this section.

63 Sec. 2. (*Effective from passage*) The Commissioner of Transportation
64 shall, in consultation with chambers of commerce, community-based
65 organizations and business advocacy organizations, develop and
66 implement a public awareness campaign to inform employers of the tax
67 credit allowed under section 1 of this act.

68 Sec. 3. (*Effective October 1, 2026*) Not later than January 1, 2027, the
69 Commissioner of Transportation shall submit a report, in accordance
70 with the provisions of section 11-4a of the general statutes, to the joint
71 standing committee of the General Assembly having cognizance of
72 matters relating to transportation, detailing (1) the status of sites
73 identified as opportunities for transit-oriented development, as defined
74 in section 13b-79o of the general statutes, (2) the timelines associated
75 with any request for proposals regarding transit-oriented development,
76 including reviewing and evaluating the responses to any such request
77 for proposals, and (3) an estimate of the number of housing units
78 associated with such opportunities for transit-oriented development.

79 Sec. 4. Section 23 of public act 22-40 is amended to read as follows
80 (*Effective July 1, 2026*):

81 (a) As used in this section, "microtransit" means transportation by a
82 multipassenger vehicle that uses a digital network or software

83 application service to offer fixed or dynamically allocated routes and
84 schedules in response to individual or aggregate consumer demand.

85 (b) The Commissioner of Transportation shall establish a [two-year]
86 three-year pilot program to test microtransit services in the state,
87 including rural areas not currently served by public transportation. The
88 commissioner may enter into agreements with third parties to provide
89 such services.

90 (c) Not later than January 1, [2025] 2028, the commissioner shall
91 submit a report on the implementation of the pilot program and any
92 recommendations concerning the future deployment of microtransit
93 services in the state, to the joint standing committee of the General
94 Assembly having cognizance of matters relating to transportation, in
95 accordance with the provisions of section 11-4a of the general statutes.

96 Sec. 5. (Effective July 1, 2026) The sum of ten million five hundred
97 thousand dollars is appropriated to the Department of Transportation
98 from the Special Transportation Fund, for the fiscal year ending June 30,
99 2027, for the continuation of the pilot program to test microtransit
100 services in the state established pursuant to section 23 of public act 22-
101 40, as amended by this act.

102 Sec. 6. Sections 12-217s, 13b-38o, 13b-38p, 13b-38t, 13b-38v and 13b-
103 38x of the general statutes are repealed. (Effective January 1, 2027)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2027, and applicable to income years commencing on or after January 1, 2027</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>October 1, 2026</i>	New section
Sec. 4	<i>July 1, 2026</i>	PA 22-40, Sec. 23
Sec. 5	<i>July 1, 2026</i>	New section
Sec. 6	<i>January 1, 2027</i>	Repealer section

Statement of Legislative Commissioners:

In Section 1(a)(1), "employees" was changed to "one or more participating employees" for consistency with other provisions of the section and in Section 3(2), "response for proposals" was changed to "request for proposals" for accuracy.

TRA *Joint Favorable Subst.*