



General Assembly

Substitute Bill No. 510

February Session, 2026



AN ACT ESTABLISHING A CAPITAL GAINS SURCHARGE.

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

1 Section 1. (NEW) (*Effective from passage*) (a) For taxable years
2 commencing on or after January 1, 2027, there is imposed a surcharge
3 on a taxpayer, excluding trusts or estates, whose Connecticut adjusted
4 gross income is equal to or greater than (1) one million dollars for an
5 individual who files a return under the federal income tax as an
6 unmarried individual or a married individual filing separately, (2) one
7 million six hundred thousand dollars for an individual who files a
8 return under the federal income tax as a head of household, and (3) two
9 million dollars for individuals who file a return under the federal
10 income tax as married individuals filing jointly. Such surcharge shall be
11 at the rate of one and seventy-five-hundredths per cent of the net gain
12 from the sale or exchange of capital assets, as determined for federal
13 income tax purposes. The surcharge shall be in addition to any other tax,
14 fee or surcharge for which the taxpayer is liable, except that any such
15 taxpayer shall be allowed a one-time exclusion for the net gain from the
16 sale of the taxpayer's primary residence in the state or from the sale of
17 the taxpayer's ownership interest in a business.

18 (b) Each taxpayer subject to the surcharge shall file a report with the
19 Commissioner of Revenue Services, in such form and containing such

20 information as the commissioner prescribes, on or before the fifteenth
21 day of the fourth month following the close of the taxpayer's taxable
22 year. Such report shall accurately set forth the amount of the net gain
23 calculated pursuant to subsection (a) of this section for the preceding
24 taxable year and the amount of the taxpayer's surcharge liability for
25 such year. A taxpayer required to file a report shall, without assessment,
26 notice or demand, pay any surcharge due thereon to the commissioner
27 on or before the date specified in this subsection, determined without
28 regard to any extension of time for filing the report.

29 (c) If any person fails to pay the amount of the surcharge reported
30 due on a report within the time specified, there shall be imposed a
31 penalty equal to ten per cent of such amount due and unpaid, or fifty
32 dollars, whichever is greater. Such amount shall bear interest at the rate
33 of one per cent per month or fraction thereof, from the due date of such
34 surcharge until the date of payment. Subject to the provisions of section
35 12-3a of the general statutes, the commissioner may waive all or part of
36 the penalties provided under this section when it is proven to the
37 commissioner's satisfaction that the failure to pay any surcharge was
38 due to reasonable cause and was not intentional or due to neglect.

39 (d) The provisions of sections 12-550 to 12-554, inclusive, and section
40 12-555a of the general statutes shall apply to the provisions of this
41 section in the same manner and with the same force and effect as if the
42 language of said sections had been incorporated in full into this section
43 and had expressly referred to the surcharge under this section, except to
44 the extent that any provision is inconsistent with a provision in this
45 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Statement of Legislative Commissioners:
In Section 1(b), "such return" was changed to "such report" for consistency.

FIN *Joint Favorable Subst.*