



General Assembly

February Session, 2018

Raised Bill No. 236

LCO No. 1113



Referred to Committee on AGING

Introduced by:
(AGE)

**AN ACT PROVIDING AN INCOME TAX DEDUCTION FOR
INDIVIDUALS CARING FOR ELDERLY PERSONS, CHILDREN AND
DISABLED PERSONS.**

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

1 Section 1. Subparagraph (B) of subdivision (20) of subsection (a) of
2 section 12-701 of the 2018 supplement to the general statutes is
3 repealed and the following is substituted in lieu thereof (*Effective from*
4 *passage and applicable to taxable years commencing on or after January 1,*
5 *2018*):

6 (B) There shall be subtracted therefrom (i) to the extent properly
7 includable in gross income for federal income tax purposes, any
8 income with respect to which taxation by any state is prohibited by
9 federal law, (ii) to the extent allowable under section 12-718, exempt
10 dividends paid by a regulated investment company, (iii) the amount of
11 any refund or credit for overpayment of income taxes imposed by this
12 state, or any other state of the United States or a political subdivision
13 thereof, or the District of Columbia, to the extent properly includable
14 in gross income for federal income tax purposes, (iv) to the extent

15 properly includable in gross income for federal income tax purposes
16 and not otherwise subtracted from federal adjusted gross income
17 pursuant to clause (x) of this subparagraph in computing Connecticut
18 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
19 extent any additional allowance for depreciation under Section 168(k)
20 of the Internal Revenue Code, as provided by Section 101 of the Job
21 Creation and Worker Assistance Act of 2002, for property placed in
22 service after December 31, 2001, but prior to September 10, 2004, was
23 added to federal adjusted gross income pursuant to subparagraph
24 (A)(ix) of this subdivision in computing Connecticut adjusted gross
25 income for a taxable year ending after December 31, 2001, twenty-five
26 per cent of such additional allowance for depreciation in each of the
27 four succeeding taxable years, (vi) to the extent properly includable in
28 gross income for federal income tax purposes, any interest income
29 from obligations issued by or on behalf of the state of Connecticut, any
30 political subdivision thereof, or public instrumentality, state or local
31 authority, district or similar public entity created under the laws of the
32 state of Connecticut, (vii) to the extent properly includable in
33 determining the net gain or loss from the sale or other disposition of
34 capital assets for federal income tax purposes, any gain from the sale
35 or exchange of obligations issued by or on behalf of the state of
36 Connecticut, any political subdivision thereof, or public
37 instrumentality, state or local authority, district or similar public entity
38 created under the laws of the state of Connecticut, in the income year
39 such gain was recognized, (viii) any interest on indebtedness incurred
40 or continued to purchase or carry obligations or securities the interest
41 on which is subject to tax under this chapter but exempt from federal
42 income tax, to the extent that such interest on indebtedness is not
43 deductible in determining federal adjusted gross income and is
44 attributable to a trade or business carried on by such individual, (ix)
45 ordinary and necessary expenses paid or incurred during the taxable
46 year for the production or collection of income which is subject to
47 taxation under this chapter but exempt from federal income tax, or the
48 management, conservation or maintenance of property held for the
49 production of such income, and the amortizable bond premium for the

50 taxable year on any bond the interest on which is subject to tax under
51 this chapter but exempt from federal income tax, to the extent that
52 such expenses and premiums are not deductible in determining federal
53 adjusted gross income and are attributable to a trade or business
54 carried on by such individual, (x) (I) for taxable years commencing
55 prior to January 1, 2019, for a person who files a return under the
56 federal income tax as an unmarried individual whose federal adjusted
57 gross income for such taxable year is less than fifty thousand dollars,
58 or as a married individual filing separately whose federal adjusted
59 gross income for such taxable year is less than fifty thousand dollars,
60 or for a husband and wife who file a return under the federal income
61 tax as married individuals filing jointly whose federal adjusted gross
62 income for such taxable year is less than sixty thousand dollars or a
63 person who files a return under the federal income tax as a head of
64 household whose federal adjusted gross income for such taxable year
65 is less than sixty thousand dollars, an amount equal to the Social
66 Security benefits includable for federal income tax purposes; (II) for
67 taxable years commencing prior to January 1, 2019, for a person who
68 files a return under the federal income tax as an unmarried individual
69 whose federal adjusted gross income for such taxable year is fifty
70 thousand dollars or more, or as a married individual filing separately
71 whose federal adjusted gross income for such taxable year is fifty
72 thousand dollars or more, or for a husband and wife who file a return
73 under the federal income tax as married individuals filing jointly
74 whose federal adjusted gross income from such taxable year is sixty
75 thousand dollars or more or for a person who files a return under the
76 federal income tax as a head of household whose federal adjusted
77 gross income for such taxable year is sixty thousand dollars or more,
78 an amount equal to the difference between the amount of Social
79 Security benefits includable for federal income tax purposes and the
80 lesser of twenty-five per cent of the Social Security benefits received
81 during the taxable year, or twenty-five per cent of the excess described
82 in Section 86(b)(1) of the Internal Revenue Code; (III) for the taxable
83 year commencing January 1, 2019, and each taxable year thereafter, for
84 a person who files a return under the federal income tax as an

85 unmarried individual whose federal adjusted gross income for such
86 taxable year is less than seventy-five thousand dollars, or as a married
87 individual filing separately whose federal adjusted gross income for
88 such taxable year is less than seventy-five thousand dollars, or for a
89 husband and wife who file a return under the federal income tax as
90 married individuals filing jointly whose federal adjusted gross income
91 for such taxable year is less than one hundred thousand dollars or a
92 person who files a return under the federal income tax as a head of
93 household whose federal adjusted gross income for such taxable year
94 is less than one hundred thousand dollars, an amount equal to the
95 Social Security benefits includable for federal income tax purposes;
96 and (IV) for the taxable year commencing January 1, 2019, and each
97 taxable year thereafter, for a person who files a return under the
98 federal income tax as an unmarried individual whose federal adjusted
99 gross income for such taxable year is seventy-five thousand dollars or
100 more, or as a married individual filing separately whose federal
101 adjusted gross income for such taxable year is seventy-five thousand
102 dollars or more, or for a husband and wife who file a return under the
103 federal income tax as married individuals filing jointly whose federal
104 adjusted gross income from such taxable year is one hundred
105 thousand dollars or more or for a person who files a return under the
106 federal income tax as a head of household whose federal adjusted
107 gross income for such taxable year is one hundred thousand dollars or
108 more, an amount equal to the difference between the amount of Social
109 Security benefits includable for federal income tax purposes and the
110 lesser of twenty-five per cent of the Social Security benefits received
111 during the taxable year, or twenty-five per cent of the excess described
112 in Section 86(b)(1) of the Internal Revenue Code, (xi) to the extent
113 properly includable in gross income for federal income tax purposes,
114 any amount rebated to a taxpayer pursuant to section 12-746, (xii) to
115 the extent properly includable in the gross income for federal income
116 tax purposes of a designated beneficiary, any distribution to such
117 beneficiary from any qualified state tuition program, as defined in
118 Section 529(b) of the Internal Revenue Code, established and
119 maintained by this state or any official, agency or instrumentality of

120 the state, (xiii) to the extent allowable under section 12-701a,
121 contributions to accounts established pursuant to any qualified state
122 tuition program, as defined in Section 529(b) of the Internal Revenue
123 Code, established and maintained by this state or any official, agency
124 or instrumentality of the state, (xiv) to the extent properly includable
125 in gross income for federal income tax purposes, the amount of any
126 Holocaust victims' settlement payment received in the taxable year by
127 a Holocaust victim, (xv) to the extent properly includable in gross
128 income for federal income tax purposes of an account holder, as
129 defined in section 31-51ww, interest earned on funds deposited in the
130 individual development account, as defined in section 31-51ww, of
131 such account holder, (xvi) to the extent properly includable in the
132 gross income for federal income tax purposes of a designated
133 beneficiary, as defined in section 3-123aa, interest, dividends or capital
134 gains earned on contributions to accounts established for the
135 designated beneficiary pursuant to the Connecticut Homecare Option
136 Program for the Elderly established by sections 3-123aa to 3-123ff,
137 inclusive, (xvii) to the extent properly includable in gross income for
138 federal income tax purposes, any income received from the United
139 States government as retirement pay for a retired member of (I) the
140 Armed Forces of the United States, as defined in Section 101 of Title 10
141 of the United States Code, or (II) the National Guard, as defined in
142 Section 101 of Title 10 of the United States Code, (xviii) to the extent
143 properly includable in gross income for federal income tax purposes
144 for the taxable year, any income from the discharge of indebtedness in
145 connection with any reacquisition, after December 31, 2008, and before
146 January 1, 2011, of an applicable debt instrument or instruments, as
147 those terms are defined in Section 108 of the Internal Revenue Code, as
148 amended by Section 1231 of the American Recovery and Reinvestment
149 Act of 2009, to the extent any such income was added to federal
150 adjusted gross income pursuant to subparagraph (A)(xi) of this
151 subdivision in computing Connecticut adjusted gross income for a
152 preceding taxable year, (xix) to the extent not deductible in
153 determining federal adjusted gross income, the amount of any
154 contribution to a manufacturing reinvestment account established

155 pursuant to section 32-9zz in the taxable year that such contribution is
156 made, (xx) to the extent properly includable in gross income for federal
157 income tax purposes, (I) for the taxable year commencing January 1,
158 2015, ten per cent of the income received from the state teachers'
159 retirement system, (II) for the taxable years commencing January 1,
160 2016, January 1, 2017, and January 1, 2018, twenty-five per cent of the
161 income received from the state teachers' retirement system, and (III)
162 for the taxable year commencing January 1, 2019, and each taxable year
163 thereafter, fifty per cent of the income received from the state teachers'
164 retirement system or the percentage, if applicable, pursuant to clause
165 (xxi) of this subparagraph, (xxi) to the extent properly includable in
166 gross income for federal income tax purposes, except for retirement
167 benefits under clause (iv) of this subparagraph and retirement pay
168 under clause (xvii) of this subparagraph, for a person who files a
169 return under the federal income tax as an unmarried individual whose
170 federal adjusted gross income for such taxable year is less than
171 seventy-five thousand dollars, or as a married individual filing
172 separately whose federal adjusted gross income for such taxable year is
173 less than seventy-five thousand dollars, or as a head of household
174 whose federal adjusted gross income for such taxable year is less than
175 seventy-five thousand dollars, or for a husband and wife who file a
176 return under the federal income tax as married individuals filing
177 jointly whose federal adjusted gross income for such taxable year is
178 less than one hundred thousand dollars, (I) for the taxable year
179 commencing January 1, 2019, fourteen per cent of any pension or
180 annuity income, (II) for the taxable year commencing January 1, 2020,
181 twenty-eight per cent of any pension or annuity income, (III) for the
182 taxable year commencing January 1, 2021, forty-two per cent of any
183 pension or annuity income, (IV) for the taxable year commencing
184 January 1, 2022, fifty-six per cent of any pension or annuity income, (V)
185 for the taxable year commencing January 1, 2023, seventy per cent of
186 any pension or annuity income, (VI) for the taxable year commencing
187 January 1, 2024, eighty-four per cent of any pension or annuity income,
188 and (VII) for the taxable year commencing January 1, 2025, any
189 pension or annuity income, (xxii) the amount of lost wages and

190 medical, travel and housing expenses, not to exceed ten thousand
191 dollars in the aggregate, incurred by a taxpayer during the taxable year
192 in connection with the donation to another person of an organ for
193 organ transplantation occurring on or after January 1, 2017, [and]
194 (xxiii) to the extent properly includable in gross income for federal
195 income tax purposes, the amount of any financial assistance received
196 from the Crumbling Foundations Assistance Fund or paid to or on
197 behalf of the owner of a residential building pursuant to sections 8-442
198 and 8-443, (xxiv) to the extent not deductible in determining federal
199 adjusted gross income, ordinary and necessary expenses paid or
200 incurred for the care of any person seventy years of age or older
201 related by blood, adoption or marriage to the taxpayer during the
202 taxable year in an amount not to exceed sixty thousand dollars for the
203 cost of full-time home health care, including, but not limited to, the
204 cost of medical supplies and in-home services provided by
205 homemaker-home health aides and other home health care agency
206 providers as such services and providers are defined in section 19a-
207 490, (xxv) to the extent not deductible in determining federal adjusted
208 gross income, ordinary and necessary expenses paid or incurred for
209 the care of a qualifying individual, as defined in Section 21(b)(1)(A) of
210 the Internal Revenue Code, in an amount not to exceed three thousand
211 dollars, and (xxvi) to the extent not deductible in determining federal
212 adjusted gross income, ordinary and necessary expenses paid or
213 incurred for the care of a qualifying individual, as defined in Sections
214 21(b)(1)(B) and 21(b)(1)(C) of the Internal Revenue Code, in an amount
215 not to exceed sixty thousand dollars for the cost of full-time home
216 health care, including, but not limited to, the cost of medical supplies
217 and in-home services provided by homemaker-home health aides and
218 other home health care agency providers as such services and
219 providers are defined in section 19a-490.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage and applicable to taxable years commencing on or after January 1, 2018</i>	12-701(a)(20)(B)
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Statement of Purpose:

To provide a tax deduction for taxpayers caring for elderly persons, children and disabled persons.

[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.]