



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3 repealed and the following is substituted in lieu thereof (*Effective from*  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:

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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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**AGE**

*Joint Favorable C/R*

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