



General Assembly

January Session, 2021

**Committee Bill No. 5722**

LCO No. 5380



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:  
(PS)

***AN ACT ALLOWING A PERSONAL INCOME TAX DEDUCTION FOR STIPENDS PAID TO VOLUNTEER FIREFIGHTERS AND VOLUNTEER AMBULANCE MEMBERS.***

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2 section 12-701 of the general statutes is repealed and the following is  
3 substituted in lieu thereof (*Effective July 1, 2022, and applicable to taxable*  
4 *years commencing on or after January 1, 2022*):

5 (B) There shall be subtracted therefrom:

6 (i) To the extent properly includable in gross income for federal  
7 income tax purposes, any income with respect to which taxation by any  
8 state is prohibited by federal law;

9 (ii) To the extent allowable under section 12-718, exempt dividends  
10 paid by a regulated investment company;

11 (iii) To the extent properly includable in gross income for federal  
12 income tax purposes, the amount of any refund or credit for  
13 overpayment of income taxes imposed by this state, or any other state

14 of the United States or a political subdivision thereof, or the District of  
15 Columbia;

16 (iv) To the extent properly includable in gross income for federal  
17 income tax purposes and not otherwise subtracted from federal  
18 adjusted gross income pursuant to clause (x) of this subparagraph in  
19 computing Connecticut adjusted gross income, any tier 1 railroad  
20 retirement benefits;

21 (v) To the extent any additional allowance for depreciation under  
22 Section 168(k) of the Internal Revenue Code for property placed in  
23 service after September 27, 2017, was added to federal adjusted gross  
24 income pursuant to subparagraph (A)(ix) of this subdivision in  
25 computing Connecticut adjusted gross income, twenty-five per cent of  
26 such additional allowance for depreciation in each of the four  
27 succeeding taxable years;

28 (vi) To the extent properly includable in gross income for federal  
29 income tax purposes, any interest income from obligations issued by or  
30 on behalf of the state of Connecticut, any political subdivision thereof,  
31 or public instrumentality, state or local authority, district or similar  
32 public entity created under the laws of the state of Connecticut;

33 (vii) To the extent properly includable in determining the net gain or  
34 loss from the sale or other disposition of capital assets for federal income  
35 tax purposes, any gain from the sale or exchange of obligations issued  
36 by or on behalf of the state of Connecticut, any political subdivision  
37 thereof, or public instrumentality, state or local authority, district or  
38 similar public entity created under the laws of the state of Connecticut,  
39 in the income year such gain was recognized;

40 (viii) Any interest on indebtedness incurred or continued to purchase  
41 or carry obligations or securities the interest on which is subject to tax  
42 under this chapter but exempt from federal income tax, to the extent that  
43 such interest on indebtedness is not deductible in determining federal  
44 adjusted gross income and is attributable to a trade or business carried  
45 on by such individual;

46 (ix) Ordinary and necessary expenses paid or incurred during the  
47 taxable year for the production or collection of income which is subject  
48 to taxation under this chapter but exempt from federal income tax, or  
49 the management, conservation or maintenance of property held for the  
50 production of such income, and the amortizable bond premium for the  
51 taxable year on any bond the interest on which is subject to tax under  
52 this chapter but exempt from federal income tax, to the extent that such  
53 expenses and premiums are not deductible in determining federal  
54 adjusted gross income and are attributable to a trade or business carried  
55 on by such individual;

56 (x) (I) For taxable years commencing prior to January 1, 2019, for a  
57 person who files a return under the federal income tax as an unmarried  
58 individual whose federal adjusted gross income for such taxable year is  
59 less than fifty thousand dollars, or as a married individual filing  
60 separately whose federal adjusted gross income for such taxable year is  
61 less than fifty thousand dollars, or for a husband and wife who file a  
62 return under the federal income tax as married individuals filing jointly  
63 whose federal adjusted gross income for such taxable year is less than  
64 sixty thousand dollars or a person who files a return under the federal  
65 income tax as a head of household whose federal adjusted gross income  
66 for such taxable year is less than sixty thousand dollars, an amount  
67 equal to the Social Security benefits includable for federal income tax  
68 purposes;

69 (II) For taxable years commencing prior to January 1, 2019, for a  
70 person who files a return under the federal income tax as an unmarried  
71 individual whose federal adjusted gross income for such taxable year is  
72 fifty thousand dollars or more, or as a married individual filing  
73 separately whose federal adjusted gross income for such taxable year is  
74 fifty thousand dollars or more, or for a husband and wife who file a  
75 return under the federal income tax as married individuals filing jointly  
76 whose federal adjusted gross income from such taxable year is sixty  
77 thousand dollars or more or for a person who files a return under the  
78 federal income tax as a head of household whose federal adjusted gross  
79 income for such taxable year is sixty thousand dollars or more, an

80 amount equal to the difference between the amount of Social Security  
81 benefits includable for federal income tax purposes and the lesser of  
82 twenty-five per cent of the Social Security benefits received during the  
83 taxable year, or twenty-five per cent of the excess described in Section  
84 86(b)(1) of the Internal Revenue Code;

85 (III) For the taxable year commencing January 1, 2019, and each  
86 taxable year thereafter, for a person who files a return under the federal  
87 income tax as an unmarried individual whose federal adjusted gross  
88 income for such taxable year is less than seventy-five thousand dollars,  
89 or as a married individual filing separately whose federal adjusted gross  
90 income for such taxable year is less than seventy-five thousand dollars,  
91 or for a husband and wife who file a return under the federal income tax  
92 as married individuals filing jointly whose federal adjusted gross  
93 income for such taxable year is less than one hundred thousand dollars  
94 or a person who files a return under the federal income tax as a head of  
95 household whose federal adjusted gross income for such taxable year is  
96 less than one hundred thousand dollars, an amount equal to the Social  
97 Security benefits includable for federal income tax purposes; and

98 (IV) For the taxable year commencing January 1, 2019, and each  
99 taxable year thereafter, for a person who files a return under the federal  
100 income tax as an unmarried individual whose federal adjusted gross  
101 income for such taxable year is seventy-five thousand dollars or more,  
102 or as a married individual filing separately whose federal adjusted gross  
103 income for such taxable year is seventy-five thousand dollars or more,  
104 or for a husband and wife who file a return under the federal income tax  
105 as married individuals filing jointly whose federal adjusted gross  
106 income from such taxable year is one hundred thousand dollars or more  
107 or for a person who files a return under the federal income tax as a head  
108 of household whose federal adjusted gross income for such taxable year  
109 is one hundred thousand dollars or more, an amount equal to the  
110 difference between the amount of Social Security benefits includable for  
111 federal income tax purposes and the lesser of twenty-five per cent of the  
112 Social Security benefits received during the taxable year, or twenty-five  
113 per cent of the excess described in Section 86(b)(1) of the Internal

114 Revenue Code;

115 (xi) To the extent properly includable in gross income for federal  
116 income tax purposes, any amount rebated to a taxpayer pursuant to  
117 section 12-746;

118 (xii) To the extent properly includable in the gross income for federal  
119 income tax purposes of a designated beneficiary, any distribution to  
120 such beneficiary from any qualified state tuition program, as defined in  
121 Section 529(b) of the Internal Revenue Code, established and  
122 maintained by this state or any official, agency or instrumentality of the  
123 state;

124 (xiii) To the extent allowable under section 12-701a, contributions to  
125 accounts established pursuant to any qualified state tuition program, as  
126 defined in Section 529(b) of the Internal Revenue Code, established and  
127 maintained by this state or any official, agency or instrumentality of the  
128 state;

129 (xiv) To the extent properly includable in gross income for federal  
130 income tax purposes, the amount of any Holocaust victims' settlement  
131 payment received in the taxable year by a Holocaust victim;

132 (xv) To the extent properly includable in gross income for federal  
133 income tax purposes of an account holder, as defined in section 31-  
134 51ww, interest earned on funds deposited in the individual  
135 development account, as defined in section 31-51ww, of such account  
136 holder;

137 (xvi) To the extent properly includable in the gross income for federal  
138 income tax purposes of a designated beneficiary, as defined in section  
139 3-123aa, interest, dividends or capital gains earned on contributions to  
140 accounts established for the designated beneficiary pursuant to the  
141 Connecticut Homecare Option Program for the Elderly established by  
142 sections 3-123aa to 3-123ff, inclusive;

143 (xvii) To the extent properly includable in gross income for federal  
144 income tax purposes, any income received from the United States

145 government as retirement pay for a retired member of (I) the Armed  
146 Forces of the United States, as defined in Section 101 of Title 10 of the  
147 United States Code, or (II) the National Guard, as defined in Section 101  
148 of Title 10 of the United States Code;

149 (xviii) To the extent properly includable in gross income for federal  
150 income tax purposes for the taxable year, any income from the discharge  
151 of indebtedness in connection with any reacquisition, after December  
152 31, 2008, and before January 1, 2011, of an applicable debt instrument or  
153 instruments, as those terms are defined in Section 108 of the Internal  
154 Revenue Code, as amended by Section 1231 of the American Recovery  
155 and Reinvestment Act of 2009, to the extent any such income was added  
156 to federal adjusted gross income pursuant to subparagraph (A)(xi) of  
157 this subdivision in computing Connecticut adjusted gross income for a  
158 preceding taxable year;

159 (xix) To the extent not deductible in determining federal adjusted  
160 gross income, the amount of any contribution to a manufacturing  
161 reinvestment account established pursuant to section 32-9zz in the  
162 taxable year that such contribution is made;

163 (xx) To the extent properly includable in gross income for federal  
164 income tax purposes, (I) for the taxable year commencing January 1,  
165 2015, ten per cent of the income received from the state teachers'  
166 retirement system, (II) for the taxable years commencing January 1,  
167 2016, to January 1, 2020, inclusive, twenty-five per cent of the income  
168 received from the state teachers' retirement system, and (III) for the  
169 taxable year commencing January 1, 2021, and each taxable year  
170 thereafter, fifty per cent of the income received from the state teachers'  
171 retirement system or the percentage, if applicable, pursuant to clause  
172 (xxi) of this subparagraph;

173 (xxi) To the extent properly includable in gross income for federal  
174 income tax purposes, except for retirement benefits under clause (iv) of  
175 this subparagraph and retirement pay under clause (xvii) of this  
176 subparagraph, for a person who files a return under the federal income  
177 tax as an unmarried individual whose federal adjusted gross income for

178 such taxable year is less than seventy-five thousand dollars, or as a  
179 married individual filing separately whose federal adjusted gross  
180 income for such taxable year is less than seventy-five thousand dollars,  
181 or as a head of household whose federal adjusted gross income for such  
182 taxable year is less than seventy-five thousand dollars, or for a husband  
183 and wife who file a return under the federal income tax as married  
184 individuals filing jointly whose federal adjusted gross income for such  
185 taxable year is less than one hundred thousand dollars, (I) for the taxable  
186 year commencing January 1, 2019, fourteen per cent of any pension or  
187 annuity income, (II) for the taxable year commencing January 1, 2020,  
188 twenty-eight per cent of any pension or annuity income, (III) for the  
189 taxable year commencing January 1, 2021, forty-two per cent of any  
190 pension or annuity income, (IV) for the taxable year commencing  
191 January 1, 2022, fifty-six per cent of any pension or annuity income, (V)  
192 for the taxable year commencing January 1, 2023, seventy per cent of any  
193 pension or annuity income, (VI) for the taxable year commencing  
194 January 1, 2024, eighty-four per cent of any pension or annuity income,  
195 and (VII) for the taxable year commencing January 1, 2025, and each  
196 taxable year thereafter, any pension or annuity income;

197 (xxii) The amount of lost wages and medical, travel and housing  
198 expenses, not to exceed ten thousand dollars in the aggregate, incurred  
199 by a taxpayer during the taxable year in connection with the donation  
200 to another person of an organ for organ transplantation occurring on or  
201 after January 1, 2017;

202 (xxiii) To the extent properly includable in gross income for federal  
203 income tax purposes, the amount of any financial assistance received  
204 from the Crumbling Foundations Assistance Fund or paid to or on  
205 behalf of the owner of a residential building pursuant to sections 8-442  
206 and 8-443;

207 (xxiv) To the extent properly includable in gross income for federal  
208 income tax purposes, the amount calculated pursuant to subsection (b)  
209 of section 12-704g for income received by a general partner of a venture  
210 capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to

211 time; [and]

212 (xxv) To the extent any portion of a deduction under Section 179 of  
213 the Internal Revenue Code was added to federal adjusted gross income  
214 pursuant to subparagraph (A)(xiv) of this subdivision in computing  
215 Connecticut adjusted gross income, twenty-five per cent of such  
216 disallowed portion of the deduction in each of the four succeeding  
217 taxable years; and

218 (xxvi) To the extent deductible in determining federal taxable income,  
219 the amount calculated pursuant to Section 139B of the Internal Revenue  
220 Code.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022, and applicable to taxable years commencing on or after January 1, 2022</i>	12-701(a)(20)(B)

**Statement of Purpose:**

To allow a personal income tax deduction for a stipend made by a municipality, volunteer fire department or volunteer ambulance association to a volunteer firefighter, fire police officer or volunteer ambulance member.

*[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.]*

Co-Sponsors: REP. LANOUE, 45th Dist.; REP. BOYD, 50th Dist.  
REP. BUCKBEE, 67th Dist.; REP. DELNICKI, 14th Dist.  
REP. HAYES, 51st Dist.; REP. HOWARD, 43rd Dist.  
REP. MCGORTY, 122nd Dist.; SEN. SOMERS, 18th Dist.  
REP. FISHBEIN, 90th Dist.; REP. VAIL, 52nd Dist.  
REP. WINKLER, 56th Dist.; REP. KLARIDES-DITRIA, 105th Dist.  
REP. ANDERSON, 62nd Dist.; REP. TURCO, 27th Dist.  
REP. ZAWISTOWSKI, 61st Dist.; REP. CARNEY, 23rd Dist.  
REP. CONLEY, 40th Dist.; SEN. OSTEN, 19th Dist.  
REP. RYAN, 139th Dist.

H.B. 5722



