



General Assembly

January Session, 2023

**Committee Bill No. 5511**

LCO No. 4794



Referred to Committee on VETERANS' AND MILITARY  
AFFAIRS

Introduced by:  
(VA)

***AN ACT ESTABLISHING A PERSONAL INCOME TAX DEDUCTION  
FOR HOME CARE COSTS FOR VETERANS.***

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2 section 12-701 of the general statutes is repealed and the following is  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, 2023, and applicable to taxable*  
4 *years commencing on or after January 1, 2023*):

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

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

45 trade or business carried 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  
53 such expenses and premiums are not deductible in determining federal  
54 adjusted gross income and are attributable to a trade or business  
55 carried 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  
58 unmarried individual whose federal adjusted gross income for such  
59 taxable year is less than fifty thousand dollars, or as a married  
60 individual filing separately whose federal adjusted gross income for  
61 such taxable year is less than fifty thousand dollars, or for a husband  
62 and wife who file a return under the federal income tax as married  
63 individuals filing jointly whose federal adjusted gross income for such  
64 taxable year is less than sixty thousand dollars or a person who files a  
65 return under the federal income tax as a head of household whose  
66 federal adjusted gross income for such taxable year is less than sixty  
67 thousand dollars, an amount equal to the Social Security benefits  
68 includable for federal income tax 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  
71 unmarried individual whose federal adjusted gross income for such  
72 taxable year is fifty thousand dollars or more, or as a married  
73 individual filing separately whose federal adjusted gross income for  
74 such taxable year is fifty thousand dollars or more, or for a husband  
75 and wife who file a return under the federal income tax as married  
76 individuals filing jointly whose federal adjusted gross income from  
77 such taxable year is sixty thousand dollars or more or for a person who

78 files a return under the federal income tax as a head of household  
79 whose federal adjusted gross income for such taxable year is sixty  
80 thousand dollars or more, an amount equal to the difference between  
81 the amount of Social Security benefits includable for federal income tax  
82 purposes and the lesser of twenty-five per cent of the Social Security  
83 benefits received during the taxable year, or twenty-five per cent of the  
84 excess described in Section 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  
87 federal income tax as an unmarried individual whose federal adjusted  
88 gross income for such taxable year is less than seventy-five thousand  
89 dollars, or as a married individual filing separately whose federal  
90 adjusted gross income for such taxable year is less than seventy-five  
91 thousand dollars, or for a husband and wife who file a return under  
92 the federal income tax as married individuals filing jointly whose  
93 federal adjusted gross income for such taxable year is less than one  
94 hundred thousand dollars or a person who files a return under the  
95 federal income tax as a head of household whose federal adjusted  
96 gross income for such taxable year is less than one hundred thousand  
97 dollars, an amount equal to the Social Security benefits includable for  
98 federal income tax purposes; and

99 (IV) For the taxable year commencing January 1, 2019, and each  
100 taxable year thereafter, for a person who files a return under the  
101 federal income tax as an unmarried individual whose federal adjusted  
102 gross income for such taxable year is seventy-five thousand dollars or  
103 more, or as a married individual filing separately whose federal  
104 adjusted gross income for such taxable year is seventy-five thousand  
105 dollars or more, or for a husband and wife who file a return under the  
106 federal income tax as married individuals filing jointly whose federal  
107 adjusted gross income from such taxable year is one hundred  
108 thousand dollars or more or for a person who files a return under the  
109 federal income tax as a head of household whose federal adjusted  
110 gross income for such taxable year is one hundred thousand dollars or

111 more, an amount equal to the difference between the amount of Social  
112 Security benefits includable for federal income tax purposes and the  
113 lesser of twenty-five per cent of the Social Security benefits received  
114 during the taxable year, or twenty-five per cent of the excess described  
115 in Section 86(b)(1) of the Internal Revenue Code;

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

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

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

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

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

138 (xvi) To the extent properly includable in the gross income for  
139 federal income tax purposes of a designated beneficiary, as defined in  
140 section 3-123aa, interest, dividends or capital gains earned on  
141 contributions to accounts established for the designated beneficiary

142 pursuant to the Connecticut Homecare Option Program for the Elderly  
143 established by sections 3-123aa to 3-123ff, inclusive;

144 (xvii) To the extent properly includable in gross income for federal  
145 income tax purposes, any income received from the United States  
146 government as retirement pay for a retired member of (I) the Armed  
147 Forces of the United States, as defined in Section 101 of Title 10 of the  
148 United States Code, or (II) the National Guard, as defined in Section  
149 101 of Title 10 of the United States Code;

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

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

164 (xx) To the extent properly includable in gross income for federal  
165 income tax purposes, (I) for the taxable year commencing January 1,  
166 2015, ten per cent of the income received from the state teachers'  
167 retirement system, (II) for the taxable years commencing January 1,  
168 2016, to January 1, 2020, inclusive, twenty-five per cent of the income  
169 received from the state teachers' retirement system, and (III) for the  
170 taxable year commencing January 1, 2021, and each taxable year  
171 thereafter, fifty per cent of the income received from the state teachers'  
172 retirement system or, for a taxpayer whose federal adjusted gross  
173 income does not exceed the applicable threshold under clause (xxi) of

174 this subparagraph, the percentage pursuant to said clause of the  
175 income received from the state teachers' retirement system, whichever  
176 deduction is greater;

177 (xxi) To the extent properly includable in gross income for federal  
178 income tax purposes, except for retirement benefits under clause (iv) of  
179 this subparagraph and retirement pay under clause (xvii) of this  
180 subparagraph, for a person who files a return under the federal income  
181 tax as an unmarried individual whose federal adjusted gross income  
182 for such taxable year is less than seventy-five thousand dollars, or as a  
183 married individual filing separately whose federal adjusted gross  
184 income for such taxable year is less than seventy-five thousand dollars,  
185 or as a head of household whose federal adjusted gross income for  
186 such taxable year is less than seventy-five thousand dollars, or for a  
187 husband and wife who file a return under the federal income tax as  
188 married individuals filing jointly whose federal adjusted gross income  
189 for such taxable year is less than one hundred thousand dollars, (I) for  
190 the taxable year commencing January 1, 2019, fourteen per cent of any  
191 pension or annuity income, (II) for the taxable year commencing  
192 January 1, 2020, twenty-eight per cent of any pension or annuity  
193 income, (III) for the taxable year commencing January 1, 2021, forty-  
194 two per cent of any pension or annuity income, and (IV) for the taxable  
195 year commencing January 1, 2022, and each taxable year thereafter,  
196 one hundred per cent of 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  
201 or 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  
210 venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended  
211 from time to time;

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;

218 (xxvi) To the extent properly includable in gross income for federal  
219 income tax purposes, for a person who files a return under the federal  
220 income tax as an unmarried individual whose federal adjusted gross  
221 income for such taxable year is less than seventy-five thousand dollars,  
222 or as a married individual filing separately whose federal adjusted  
223 gross income for such taxable year is less than seventy-five thousand  
224 dollars, or as a head of household whose federal adjusted gross income  
225 for such taxable year is less than seventy-five thousand dollars, or for a  
226 husband and wife who file a return under the federal income tax as  
227 married individuals filing jointly whose federal adjusted gross income  
228 for such taxable year is less than one hundred thousand dollars, (I) for  
229 the taxable year commencing January 1, 2023, twenty-five per cent of  
230 any distribution from an individual retirement account other than a  
231 Roth individual retirement account, (II) for the taxable year  
232 commencing January 1, 2024, fifty per cent of any distribution from an  
233 individual retirement account other than a Roth individual retirement  
234 account, (III) for the taxable year commencing January 1, 2025,  
235 seventy-five per cent of any distribution from an individual retirement  
236 account other than a Roth individual retirement account, and (IV) for  
237 the taxable year commencing January 1, 2026, and each taxable year  
238 thereafter, any distribution from an individual retirement account  
239 other than a Roth individual retirement account; [and]



240 (xxvii) To the extent properly includable in gross income for federal  
 241 income tax purposes, for the taxable year commencing January 1, 2022,  
 242 the amount or amounts paid or otherwise credited to any eligible  
 243 resident of this state under (I) the 2020 Earned Income Tax Credit  
 244 enhancement program from funding allocated to the state through the  
 245 Coronavirus Relief Fund established under the Coronavirus Aid,  
 246 Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021  
 247 Earned Income Tax Credit enhancement program from funding  
 248 allocated to the state pursuant to Section 9901 of Subtitle M of Title IX  
 249 of the American Rescue Plan Act of 2021, P.L. 117-2; and

250 (xxviii) To the extent not deductible in determining federal adjusted  
 251 gross income, ordinary and necessary expenses paid or incurred by a  
 252 taxpayer for the care of any veteran, as defined in section 27-103,  
 253 related by blood, adoption or marriage to the taxpayer, or paid or  
 254 incurred by a veteran for the care of such veteran, during the taxable  
 255 year, in an amount not to exceed sixty thousand dollars for the cost of  
 256 full-time home care, including, but not limited to, the cost of medical  
 257 supplies, in-home services provided by a homemaker-companion  
 258 agency, as defined in section 20-670, and health care provided by a  
 259 home health agency, as defined in section 19a-490.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023, and applicable to taxable years commencing on or after January 1, 2023</i>	12-701(a)(20)(B)

**VA**            *Joint Favorable*