



General Assembly

Amendment

January Session, 2023

LCO No. 6500



Offered by:
REP. NOLAN, 39th Dist.

To: House Bill No. 5511

File No. 210

Cal. No. 160

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subparagraph (B) of subdivision (20) of subsection (a) of
4 section 12-701 of the general statutes is repealed and the following is
5 substituted in lieu thereof (*Effective July 1, 2023, and applicable to taxable*
6 *years commencing on or after January 1, 2023*):

7 (B) There shall be subtracted therefrom:

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

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

13 (iii) To the extent properly includable in gross income for federal

14 income tax purposes, the amount of any refund or credit for
15 overpayment of income taxes imposed by this state, or any other state
16 of the United States or a political subdivision thereof, or the District of
17 Columbia;

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

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

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

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

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

46 adjusted gross income and is attributable to a trade or business carried
47 on by such individual;

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

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

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

79 thousand dollars or more or for a person who files a return under the
80 federal income tax as a head of household whose federal adjusted gross
81 income for such taxable year is sixty thousand dollars or more, an
82 amount equal to the difference between the amount of Social Security
83 benefits includable for federal income tax purposes and the lesser of
84 twenty-five per cent of the Social Security benefits received during the
85 taxable year, or twenty-five per cent of the excess described in Section
86 86(b)(1) of the Internal Revenue Code;

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

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

113 federal income tax purposes and the lesser of twenty-five per cent of the
114 Social Security benefits received during the taxable year, or twenty-five
115 per cent of the excess described in Section 86(b)(1) of the Internal
116 Revenue Code;

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

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

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

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

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

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

144 sections 3-123aa to 3-123ff, inclusive;

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

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

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

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

176 received from the state teachers' retirement system, whichever
177 deduction is greater;

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

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

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

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

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

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

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

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

261 (xxix) To the extent properly includable in gross income for federal
 262 income tax purposes, the amount of any compensation received for
 263 attending a funeral as a member of an honor guard detail pursuant to
 264 section 27-76."

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)