



General Assembly

February Session, 2024

Raised Bill No. 284

LCO No. 2357



Referred to Committee on BANKING

Introduced by:

(BA)

AN ACT CONCERNING A SECURITY DEPOSIT LOAN ASSISTANCE PROGRAM.

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

- 1 Section 1. (NEW) (*Effective July 1, 2024*) (a) As used in this section:
- 2 (1) "Commissioner" means the Commissioner of Housing;
- 3 (2) "Credit union" means a Connecticut credit union or a federal
4 credit union, as those terms are defined in section 36a-2 of the general
5 statutes;
- 6 (3) "Eligible financial institution" means a qualified bank or credit
7 union that has a physical presence in the state and is not subject to (A) a
8 formal agreement with the Office of the Comptroller of the Currency of
9 the United States, (B) a consent order with, or cease and desist order
10 issued by, the Federal Deposit Insurance Corporation, (C) a consent
11 order with, or cease and desist order issued by, the Department of
12 Banking, (D) a letter of understanding and agreement with, or consent
13 order issued by, the National Credit Union Administration, or (E) a
14 finding by the Department of Banking that the qualified bank or credit

15 union has failed to comply with a provision of this section;

16 (4) "Eligible renter" means an individual who (A) is applying to rent
17 a residential property in the state, (B) is a resident of the state, (C)
18 demonstrates that the amount of rent proposed in a proposed lease
19 would not exceed thirty-five per cent of the person's household income,
20 and (D) is a member of a low-income household, a veteran, a victim of
21 domestic violence or a recent college graduate;

22 (5) "Low-income household" means a group of persons residing in a
23 residential property who are eligible for or receive benefits under
24 HUSKY Health, as defined in section 17b-290 of the general statutes, the
25 temporary family assistance program, the state supplement program or
26 any state-administered general assistance program;

27 (6) "Qualified bank" means a bank or an out-of-state bank, as those
28 terms are defined in section 36a-2 of the general statutes;

29 (7) "Recent college graduate" means a person who graduated from an
30 institution of higher education not earlier than twelve months before
31 applying for a security deposit loan under this section;

32 (8) "Residential property" means a dwelling unit used primarily for
33 human habitation;

34 (9) "Veteran" has the same meaning as provided in section 32-5d of
35 the general statutes; and

36 (10) "Victim of domestic violence" has the same meaning as provided
37 in section 17b-112a of the general statutes.

38 (b) The Commissioner of Housing shall, within available
39 appropriations, establish and administer a security deposit loan
40 assistance program to guarantee the repayment of twenty-five per cent
41 of the outstanding principal of each security deposit loan made by an
42 eligible financial institution to an eligible renter under subsection (c) of
43 this section. A qualified bank or credit union may apply to the
44 Department of Banking, in a form and manner prescribed by the

45 Commissioner of Housing, to participate in the security deposit loan
46 assistance program. Not later than fifteen business days after receiving
47 the application, the Department of Banking shall determine whether
48 such qualified bank or credit union is an eligible financial institution and
49 notify such qualified bank or credit union and the Commissioner of
50 Housing of such determination. An eligible financial institution may
51 make security deposit loans to eligible renters pursuant to subsection (c)
52 of this section.

53 (c) (1) An eligible financial institution may make a security deposit
54 loan to an eligible renter, provided:

55 (A) The requirements set forth in subsection (b) of this section,
56 including, but not limited to, the requirement that the Department of
57 Banking determine that the qualified bank or credit union is an eligible
58 financial institution, are satisfied;

59 (B) The eligible renter demonstrates to the eligible financial
60 institution that (i) such eligible renter is (I) applying to rent a residential
61 property in the state, (II) a resident of the state, and (III) a member of a
62 low-income household, veteran, victim of domestic violence or recent
63 college graduate, and (ii) the cost of rent proposed in the proposed lease
64 would not exceed thirty-five per cent of the eligible renter's household
65 income if such eligible renter receives the security deposit loan;

66 (C) The amount of the security deposit loan does not exceed an
67 amount equal to the cost of one month's rent;

68 (D) The eligible financial institution makes the security deposit loan
69 in accordance with such eligible financial institution's underwriting
70 policy and standards, except the eligible financial institution shall not
71 use the eligible renter's creditworthiness or debt-to-income ratio in
72 determining such eligible renter's eligibility to receive such security
73 deposit loan;

74 (E) The eligible financial institution does not charge interest on the
75 principal amount of the security deposit loan at a rate that exceeds four

76 per cent per annum;

77 (F) The security deposit loan agreement requires the eligible renter to
78 repay the security deposit loan in full to the eligible financial institution
79 not later than twenty-four months after the date of the security deposit
80 loan by making not less than twelve and not more than twenty-four
81 equal installment payments;

82 (G) The security deposit loan agreement shall not contain a fee or
83 penalty for the prepayment or early payment of the security deposit
84 loan;

85 (H) The eligible financial institution provides the security deposit
86 loan funds directly to the eligible renter's landlord;

87 (I) The eligible financial institution (i) refers the eligible renter to the
88 2-1-1 Infoline program, and (ii) offers credit counseling services to the
89 eligible renter or refers such eligible renter to a nonprofit entity that
90 provides credit counseling services;

91 (J) The eligible renter pays an application fee of not more than fifty
92 dollars to the Department of Banking, which the department may use to
93 pay for rental reporting services;

94 (K) Before the eligible financial institution provides security deposit
95 loan funds to the eligible renter's landlord, the commissioner, or any
96 local or regional nonprofit corporation or social service organization
97 under contract with the Department of Housing to assist in the
98 administration of the security deposit loan assistance program
99 established pursuant to subsection (b) of this section, verifies that the
100 landlord to which the security deposit will be provided does not have a
101 history of bringing frivolous or unreasonable claims in small claims
102 actions or proceedings involving a housing matter; and

103 (L) The eligible financial institution discloses to the eligible renter in
104 the security deposit loan agreement that there may be federal tax
105 consequences to receiving a security deposit loan pursuant to this

106 subsection.

107 (2) An eligible financial institution that makes a security deposit loan
108 pursuant to this subsection shall notify the commissioner, in writing, not
109 later than one business day after making such security deposit loan, and
110 shall disclose such information about the eligible renter as the
111 commissioner may reasonably request in connection with such security
112 deposit loan.

113 (3) No person shall be eligible to receive more than one security
114 deposit loan under this subsection.

115 (4) An eligible renter who receives a security deposit loan under this
116 subsection shall take part in financial literacy classes, which shall be
117 made available virtually by the Department of Banking.

118 (5) The Department of Banking shall make enrollment and
119 participation in a service to report on-time rental payments to credit
120 bureaus available to an eligible renter who receives a security deposit
121 loan pursuant to this subsection.

122 (d) (1) If an eligible financial institution is unable to collect from an
123 eligible renter the full balance of a security deposit loan made under
124 subsection (c) of this section within twenty-four months after the date
125 on which such eligible financial institution made such security deposit
126 loan, such eligible financial institution may make a claim to the
127 Commissioner of Housing for the recovery of an amount equal to
128 twenty-five per cent of the outstanding principal of such security
129 deposit loan, provided such eligible financial institution made a good
130 faith effort to collect the outstanding principal balance of such security
131 deposit loan. Such claim shall be made in the form and manner
132 prescribed by the commissioner, and shall include any information the
133 commissioner deems reasonably necessary to considering such claim.
134 Before the commissioner approves and submits such a claim to the
135 Treasurer for payment to such eligible financial institution, such eligible
136 financial institution shall demonstrate to the satisfaction of the
137 commissioner that the eligible financial institution has made a good

138 faith effort to collect the outstanding principal balance from the eligible
139 renter in accordance with the financial institution's loan servicing and
140 collection policies. Upon the payment of such a claim, the eligible
141 financial institution shall assign the security deposit loan to the state,
142 and the commissioner shall have the right to continue collection efforts
143 on such loan. The commissioner shall submit all approved claims to the
144 Treasurer, who shall, within available appropriations, pay such claims
145 from the General Fund.

146 (2) The commissioner may terminate any security deposit loan issued
147 under subsection (c) of this section if the financial institution that issued
148 such security deposit loan misrepresents any information pertaining to
149 such security deposit loan or fails to comply with any requirement of
150 this section in connection with such security deposit loan.

151 (3) The commissioner shall maintain records in the regular course of
152 administering the security deposit loan assistance program established
153 pursuant to subsection (b) of this section, including, but not limited to,
154 a record of the security deposit loans issued and payments made to
155 honor security deposit loans issued under subsection (c) of this section.
156 The commissioner shall regularly review such records to determine the
157 total number of security deposit loans issued and identify duplicative
158 applications.

159 (4) If, at any time, the total value of all payments made to honor
160 guarantees made pursuant to this section exceeds ten per cent of the
161 total value of all security deposit loans issued pursuant to subsection (c)
162 of this section, the commissioner shall immediately (A) cease to
163 guarantee loans made after that date, and (B) notify the Treasurer and
164 each eligible financial institution (i) the total value of all payments made
165 to honor guarantees made pursuant to this section, and (ii) that the
166 commissioner shall not guarantee loans made after that date.

167 (e) In assessing an eligible financial institution's community
168 reinvestment performance under section 36a-32 of the general statutes,
169 the Banking Commissioner shall consider such eligible financial

170 institution's participation in the security deposit loan assistance
171 program established pursuant to subsection (b) of this section.

172 (f) Any payment made pursuant to the security deposit loan
173 assistance program established pursuant to subsection (b) of this section
174 to any person receiving temporary family assistance, aid under the state
175 supplement program or any state-administered general assistance shall
176 not be deducted from the amount of assistance to which such person
177 would otherwise be entitled.

178 Sec. 2. Subparagraph (B) of subdivision (20) of subsection (a) of
179 section 12-701 of the 2024 supplement to the general statutes is repealed
180 and the following is substituted in lieu thereof (*Effective January 1, 2025,*
181 *and applicable to taxable years commencing on or after January 1, 2025*):

182 (B) There shall be subtracted therefrom:

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

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

188 (iii) To the extent properly includable in gross income for federal
189 income tax purposes, the amount of any refund or credit for
190 overpayment of income taxes imposed by this state, or any other state
191 of the United States or a political subdivision thereof, or the District of
192 Columbia;

193 (iv) To the extent properly includable in gross income for federal
194 income tax purposes and not otherwise subtracted from federal
195 adjusted gross income pursuant to clause (x) of this subparagraph in
196 computing Connecticut adjusted gross income, any tier 1 railroad
197 retirement benefits;

198 (v) To the extent any additional allowance for depreciation under
199 Section 168(k) of the Internal Revenue Code for property placed in

200 service after September 27, 2017, was added to federal adjusted gross
201 income pursuant to subparagraph (A)(ix) of this subdivision in
202 computing Connecticut adjusted gross income, twenty-five per cent of
203 such additional allowance for depreciation in each of the four
204 succeeding taxable years;

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

210 (vii) To the extent properly includable in determining the net gain or
211 loss from the sale or other disposition of capital assets for federal income
212 tax purposes, any gain from the sale or exchange of obligations issued
213 by or on behalf of the state of Connecticut, any political subdivision
214 thereof, or public instrumentality, state or local authority, district or
215 similar public entity created under the laws of the state of Connecticut,
216 in the income year such gain was recognized;

217 (viii) Any interest on indebtedness incurred or continued to purchase
218 or carry obligations or securities the interest on which is subject to tax
219 under this chapter but exempt from federal income tax, to the extent that
220 such interest on indebtedness is not deductible in determining federal
221 adjusted gross income and is attributable to a trade or business carried
222 on by such individual;

223 (ix) Ordinary and necessary expenses paid or incurred during the
224 taxable year for the production or collection of income which is subject
225 to taxation under this chapter but exempt from federal income tax, or
226 the management, conservation or maintenance of property held for the
227 production of such income, and the amortizable bond premium for the
228 taxable year on any bond the interest on which is subject to tax under
229 this chapter but exempt from federal income tax, to the extent that such
230 expenses and premiums are not deductible in determining federal
231 adjusted gross income and are attributable to a trade or business carried

232 on by such individual;

233 (x) (I) For taxable years commencing prior to January 1, 2019, for a
234 person who files a return under the federal income tax as an unmarried
235 individual whose federal adjusted gross income for such taxable year is
236 less than fifty thousand dollars, or as a married individual filing
237 separately whose federal adjusted gross income for such taxable year is
238 less than fifty thousand dollars, or for a husband and wife who file a
239 return under the federal income tax as married individuals filing jointly
240 whose federal adjusted gross income for such taxable year is less than
241 sixty thousand dollars or a person who files a return under the federal
242 income tax as a head of household whose federal adjusted gross income
243 for such taxable year is less than sixty thousand dollars, an amount
244 equal to the Social Security benefits includable for federal income tax
245 purposes;

246 (II) For taxable years commencing prior to January 1, 2019, for a
247 person who files a return under the federal income tax as an unmarried
248 individual whose federal adjusted gross income for such taxable year is
249 fifty thousand dollars or more, or as a married individual filing
250 separately whose federal adjusted gross income for such taxable year is
251 fifty thousand dollars or more, or for a husband and wife who file a
252 return under the federal income tax as married individuals filing jointly
253 whose federal adjusted gross income from such taxable year is sixty
254 thousand dollars or more or for a person who files a return under the
255 federal income tax as a head of household whose federal adjusted gross
256 income for such taxable year is sixty thousand dollars or more, an
257 amount equal to the difference between the amount of Social Security
258 benefits includable for federal income tax purposes and the lesser of
259 twenty-five per cent of the Social Security benefits received during the
260 taxable year, or twenty-five per cent of the excess described in Section
261 86(b)(1) of the Internal Revenue Code;

262 (III) For the taxable year commencing January 1, 2019, and each
263 taxable year thereafter, for a person who files a return under the federal
264 income tax as an unmarried individual whose federal adjusted gross

265 income for such taxable year is less than seventy-five thousand dollars,
266 or as a married individual filing separately whose federal adjusted gross
267 income for such taxable year is less than seventy-five thousand dollars,
268 or for a husband and wife who file a return under the federal income tax
269 as married individuals filing jointly whose federal adjusted gross
270 income for such taxable year is less than one hundred thousand dollars
271 or a person who files a return under the federal income tax as a head of
272 household whose federal adjusted gross income for such taxable year is
273 less than one hundred thousand dollars, an amount equal to the Social
274 Security benefits includable for federal income tax purposes; and

275 (IV) For the taxable year commencing January 1, 2019, and each
276 taxable year thereafter, for a person who files a return under the federal
277 income tax as an unmarried individual whose federal adjusted gross
278 income for such taxable year is seventy-five thousand dollars or more,
279 or as a married individual filing separately whose federal adjusted gross
280 income for such taxable year is seventy-five thousand dollars or more,
281 or for a husband and wife who file a return under the federal income tax
282 as married individuals filing jointly whose federal adjusted gross
283 income from such taxable year is one hundred thousand dollars or more
284 or for a person who files a return under the federal income tax as a head
285 of household whose federal adjusted gross income for such taxable year
286 is one hundred thousand dollars or more, an amount equal to the
287 difference between the amount of Social Security benefits includable for
288 federal income tax purposes and the lesser of twenty-five per cent of the
289 Social Security benefits received during the taxable year, or twenty-five
290 per cent of the excess described in Section 86(b)(1) of the Internal
291 Revenue Code;

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

295 (xii) To the extent properly includable in the gross income for federal
296 income tax purposes of a designated beneficiary, any distribution to
297 such beneficiary from any qualified state tuition program, as defined in

298 Section 529(b) of the Internal Revenue Code, established and
299 maintained by this state or any official, agency or instrumentality of the
300 state;

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

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

309 (xv) To the extent properly includable in the gross income for federal
310 income tax purposes of a designated beneficiary, as defined in section
311 3-123aa, interest, dividends or capital gains earned on contributions to
312 accounts established for the designated beneficiary pursuant to the
313 Connecticut Homecare Option Program for the Elderly established by
314 sections 3-123aa to 3-123ff, inclusive;

315 (xvi) To the extent properly includable in gross income for federal
316 income tax purposes, any income received from the United States
317 government as retirement pay for a retired member of (I) the Armed
318 Forces of the United States, as defined in Section 101 of Title 10 of the
319 United States Code, or (II) the National Guard, as defined in Section 101
320 of Title 10 of the United States Code;

321 (xvii) To the extent properly includable in gross income for federal
322 income tax purposes for the taxable year, any income from the discharge
323 of indebtedness in connection with any reacquisition, after December
324 31, 2008, and before January 1, 2011, of an applicable debt instrument or
325 instruments, as those terms are defined in Section 108 of the Internal
326 Revenue Code, as amended by Section 1231 of the American Recovery
327 and Reinvestment Act of 2009, to the extent any such income was added
328 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
329 this subdivision in computing Connecticut adjusted gross income for a

330 preceding taxable year;

331 (xviii) To the extent not deductible in determining federal adjusted
332 gross income, the amount of any contribution to a manufacturing
333 reinvestment account established pursuant to section 32-9zz in the
334 taxable year that such contribution is made;

335 (xix) To the extent properly includable in gross income for federal
336 income tax purposes, (I) for the taxable year commencing January 1,
337 2015, ten per cent of the income received from the state teachers'
338 retirement system, (II) for the taxable years commencing January 1,
339 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
340 received from the state teachers' retirement system, and (III) for the
341 taxable year commencing January 1, 2021, and each taxable year
342 thereafter, fifty per cent of the income received from the state teachers'
343 retirement system or, for a taxpayer whose federal adjusted gross
344 income does not exceed the applicable threshold under clause (xx) of
345 this subparagraph, the percentage pursuant to said clause of the income
346 received from the state teachers' retirement system, whichever
347 deduction is greater;

348 (xx) To the extent properly includable in gross income for federal
349 income tax purposes, except for retirement benefits under clause (iv) of
350 this subparagraph and retirement pay under clause (xvi) of this
351 subparagraph, for a person who files a return under the federal income
352 tax as an unmarried individual whose federal adjusted gross income for
353 such taxable year is less than seventy-five thousand dollars, or as a
354 married individual filing separately whose federal adjusted gross
355 income for such taxable year is less than seventy-five thousand dollars,
356 or as a head of household whose federal adjusted gross income for such
357 taxable year is less than seventy-five thousand dollars, or for a husband
358 and wife who file a return under the federal income tax as married
359 individuals filing jointly whose federal adjusted gross income for such
360 taxable year is less than one hundred thousand dollars, (I) for the taxable
361 year commencing January 1, 2019, fourteen per cent of any pension or
362 annuity income, (II) for the taxable year commencing January 1, 2020,

363 twenty-eight per cent of any pension or annuity income, (III) for the
364 taxable year commencing January 1, 2021, forty-two per cent of any
365 pension or annuity income, and (IV) for the taxable years commencing
366 January 1, 2022, and January 1, 2023, one hundred per cent of any
367 pension or annuity income;

368 (xxi) To the extent properly includable in gross income for federal
369 income tax purposes, except for retirement benefits under clause (iv) of
370 this subparagraph and retirement pay under clause (xvi) of this
371 subparagraph, any pension or annuity income for the taxable year
372 commencing on or after January 1, 2024, and each taxable year
373 thereafter, in accordance with the following schedule, for a person who
374 files a return under the federal income tax as an unmarried individual
375 whose federal adjusted gross income for such taxable year is less than
376 one hundred thousand dollars, or as a married individual filing
377 separately whose federal adjusted gross income for such taxable year is
378 less than one hundred thousand dollars, or as a head of household
379 whose federal adjusted gross income for such taxable year is less than
380 one hundred thousand dollars:

T1	Federal Adjusted Gross Income	Deduction
T2	Less than \$75,000	100.0%
T3	\$75,000 but not over \$77,499	85.0%
T4	\$77,500 but not over \$79,999	70.0%
T5	\$80,000 but not over \$82,499	55.0%
T6	\$82,500 but not over \$84,999	40.0%
T7	\$85,000 but not over \$87,499	25.0%
T8	\$87,500 but not over \$89,999	10.0%
T9	\$90,000 but not over \$94,999	5.0%
T10	\$95,000 but not over \$99,999	2.5%
T11	\$100,000 and over	0.0%

381 (xxii) To the extent properly includable in gross income for federal
382 income tax purposes, except for retirement benefits under clause (iv) of
383 this subparagraph and retirement pay under clause (xvi) of this
384 subparagraph, any pension or annuity income for the taxable year

385 commencing on or after January 1, 2024, and each taxable year
386 thereafter, in accordance with the following schedule for married
387 individuals who file a return under the federal income tax as married
388 individuals filing jointly whose federal adjusted gross income for such
389 taxable year is less than one hundred fifty thousand dollars:

T12	Federal Adjusted Gross Income	Deduction
T13	Less than \$100,000	100.0%
T14	\$100,000 but not over \$104,999	85.0%
T15	\$105,000 but not over \$109,999	70.0%
T16	\$110,000 but not over \$114,999	55.0%
T17	\$115,000 but not over \$119,999	40.0%
T18	\$120,000 but not over \$124,999	25.0%
T19	\$125,000 but not over \$129,999	10.0%
T20	\$130,000 but not over \$139,999	5.0%
T21	\$140,000 but not over \$149,999	2.5%
T22	\$150,000 and over	0.0%

390 (xxiii) The amount of lost wages and medical, travel and housing
391 expenses, not to exceed ten thousand dollars in the aggregate, incurred
392 by a taxpayer during the taxable year in connection with the donation
393 to another person of an organ for organ transplantation occurring on or
394 after January 1, 2017;

395 (xxiv) To the extent properly includable in gross income for federal
396 income tax purposes, the amount of any financial assistance received
397 from the Crumbling Foundations Assistance Fund or paid to or on
398 behalf of the owner of a residential building pursuant to sections 8-442
399 and 8-443;

400 (xxv) To the extent properly includable in gross income for federal
401 income tax purposes, the amount calculated pursuant to subsection (b)
402 of section 12-704g for income received by a general partner of a venture
403 capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to
404 time;

405 (xxvi) To the extent any portion of a deduction under Section 179 of

406 the Internal Revenue Code was added to federal adjusted gross income
407 pursuant to subparagraph (A)(xiv) of this subdivision in computing
408 Connecticut adjusted gross income, twenty-five per cent of such
409 disallowed portion of the deduction in each of the four succeeding
410 taxable years;

411 (xxvii) To the extent properly includable in gross income for federal
412 income tax purposes, for a person who files a return under the federal
413 income tax as an unmarried individual whose federal adjusted gross
414 income for such taxable year is less than seventy-five thousand dollars,
415 or as a married individual filing separately whose federal adjusted gross
416 income for such taxable year is less than seventy-five thousand dollars,
417 or as a head of household whose federal adjusted gross income for such
418 taxable year is less than seventy-five thousand dollars, or for a husband
419 and wife who file a return under the federal income tax as married
420 individuals filing jointly whose federal adjusted gross income for such
421 taxable year is less than one hundred thousand dollars, for the taxable
422 year commencing January 1, 2023, twenty-five per cent of any
423 distribution from an individual retirement account other than a Roth
424 individual retirement account;

425 (xxviii) To the extent properly includable in gross income for federal
426 income tax purposes, for a person who files a return under the federal
427 income tax as an unmarried individual whose federal adjusted gross
428 income for such taxable year is less than one hundred thousand dollars,
429 or as a married individual filing separately whose federal adjusted gross
430 income for such taxable year is less than one hundred thousand dollars,
431 or as a head of household whose federal adjusted gross income for such
432 taxable year is less than one hundred thousand dollars, (I) for the taxable
433 year commencing January 1, 2024, fifty per cent of any distribution from
434 an individual retirement account other than a Roth individual
435 retirement account, (II) for the taxable year commencing January 1, 2025,
436 seventy-five per cent of any distribution from an individual retirement
437 account other than a Roth individual retirement account, and (III) for
438 the taxable year commencing January 1, 2026, and each taxable year
439 thereafter, any distribution from an individual retirement account other

440 than a Roth individual retirement account. The subtraction under this
 441 clause shall be made in accordance with the following schedule:

T23	Federal Adjusted Gross Income	Deduction
T24	Less than \$75,000	100.0%
T25	\$75,000 but not over \$77,499	85.0%
T26	\$77,500 but not over \$79,999	70.0%
T27	\$80,000 but not over \$82,499	55.0%
T28	\$82,500 but not over \$84,999	40.0%
T29	\$85,000 but not over \$87,499	25.0%
T30	\$87,500 but not over \$89,999	10.0%
T31	\$90,000 but not over \$94,999	5.0%
T32	\$95,000 but not over \$99,999	2.5%
T33	\$100,000 and over	0.0%

442 (xxix) To the extent properly includable in gross income for federal
 443 income tax purposes, for married individuals who file a return under
 444 the federal income tax as married individuals filing jointly whose
 445 federal adjusted gross income for such taxable year is less than one
 446 hundred fifty thousand dollars, (I) for the taxable year commencing
 447 January 1, 2024, fifty per cent of any distribution from an individual
 448 retirement account other than a Roth individual retirement account, (II)
 449 for the taxable year commencing January 1, 2025, seventy-five per cent
 450 of any distribution from an individual retirement account other than a
 451 Roth individual retirement account, and (III) for the taxable year
 452 commencing January 1, 2026, and each taxable year thereafter, any
 453 distribution from an individual retirement account other than a Roth
 454 individual retirement account. The subtraction under this clause shall
 455 be made in accordance with the following schedule:

T34	Federal Adjusted Gross Income	Deduction
T35	Less than \$100,000	100.0%
T36	\$100,000 but not over \$104,999	85.0%
T37	\$105,000 but not over \$109,999	70.0%
T38	\$110,000 but not over \$114,999	55.0%
T39	\$115,000 but not over \$119,999	40.0%
T40	\$120,000 but not over \$124,999	25.0%

T41	\$125,000 but not over \$129,999	10.0%
T42	\$130,000 but not over \$139,999	5.0%
T43	\$140,000 but not over \$149,999	2.5%
T44	\$150,000 and over	0.0%

456 (xxx) To the extent properly includable in gross income for federal
457 income tax purposes, for the taxable year commencing January 1, 2022,
458 the amount or amounts paid or otherwise credited to any eligible
459 resident of this state under (I) the 2020 Earned Income Tax Credit
460 enhancement program from funding allocated to the state through the
461 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,
462 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned
463 Income Tax Credit enhancement program from funding allocated to the
464 state pursuant to Section 9901 of Subtitle M of Title IX of the American
465 Rescue Plan Act of 2021, P.L. 117-2;

466 (xxxii) For the taxable year commencing January 1, 2023, and each
467 taxable year thereafter, for a taxpayer licensed under the provisions of
468 chapter 420f or 420h, the amount of ordinary and necessary expenses
469 that would be eligible to be claimed as a deduction for federal income
470 tax purposes under Section 162(a) of the Internal Revenue Code but that
471 are disallowed under Section 280E of the Internal Revenue Code
472 because marijuana is a controlled substance under the federal
473 Controlled Substance Act;

474 (xxxii) To the extent properly includable in gross income for federal
475 income tax purposes, for the taxable year commencing on or after
476 January 1, 2025, and each taxable year thereafter, any common stock
477 received by the taxpayer during the taxable year under a share plan, as
478 defined in section 12-217ss;

479 (xxxiii) To the extent properly includable in gross income for federal
480 income tax purposes, the amount of any student loan reimbursement
481 payment received by a taxpayer pursuant to section 10a-19m; [and]

482 (xxxiv) Contributions to an ABLE account established pursuant to

483 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for
484 each individual taxpayer or ten thousand dollars for taxpayers filing a
485 joint return; and

486 (xxxv) To the extent properly includable in gross income for federal
487 income tax purposes, interest deferred by or not charged to an eligible
488 renter in connection with a security deposit loan issued under section 1
489 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	New section
Sec. 2	<i>January 1, 2025, and applicable to taxable years commencing on or after January 1, 2025</i>	12-701(a)(20)(B)

Statement of Purpose:

To (1) require the Commissioner of Housing to establish a security deposit loan assistance program, and (2) authorize a tax deduction for interest deferred by, or not charged to, an eligible renter in connection with a security deposit loan issued under such program.

[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.]