



General Assembly

**Amendment**

February Session, 2024

LCO No. 4976



Offered by:

SEN. LOONEY, 11<sup>th</sup> Dist.  
SEN. DUFF, 25<sup>th</sup> Dist.  
SEN. MILLER P., 27<sup>th</sup> Dist.  
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SEN. MCCRORY, 2<sup>nd</sup> Dist.  
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To: Subst. Senate Bill No. 284

File No. 162

Cal. No. 127

**"AN ACT CONCERNING A SECURITY DEPOSIT LOAN ASSISTANCE PROGRAM."**

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

3 "Section 1. (NEW) (*Effective July 1, 2024*) (a) As used in this section:

4 (1) "Commissioner" means the Commissioner of Housing;

5 (2) "Credit union" means a Connecticut credit union, federal credit  
6 union or out-of-state credit union, as those terms are defined in section  
7 36a-2 of the general statutes;

8 (3) "Eligible financial institution" means a qualified bank or credit  
9 union that has a physical presence in the state and is not subject to (A) a  
10 formal agreement with the Office of the Comptroller of the Currency,  
11 (B) a consent order with, or cease and desist order issued by, the Federal

12 Deposit Insurance Corporation, (C) a consent order with, or cease and  
13 desist order issued by, the Department of Banking, (D) a letter of  
14 understanding and agreement with, or consent order issued by, the  
15 National Credit Union Administration, or (E) a finding by the  
16 Department of Banking that the qualified bank or credit union has failed  
17 to comply with a provision of this section;

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

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

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

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

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

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

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

40 (b) Upon funds being appropriated to the security deposit loan  
41 assistance program account established under section 2 of this act, the

42 Commissioner of Housing shall, within available appropriations,  
43 establish and administer a security deposit loan assistance program to  
44 guarantee the repayment of fifty per cent of the outstanding principal of  
45 each security deposit loan made by an eligible financial institution to an  
46 eligible renter under subsection (c) of this section. A qualified bank or  
47 credit union may apply to the Department of Banking, in a form and  
48 manner prescribed by the Commissioner of Housing, to participate in  
49 the security deposit loan assistance program. Not later than fifteen  
50 business days after receiving the application, the Department of  
51 Banking shall determine whether such qualified bank or credit union is  
52 an eligible financial institution and notify such qualified bank or credit  
53 union and the Commissioner of Housing of such determination. An  
54 eligible financial institution may make security deposit loans to eligible  
55 renters pursuant to subsection (c) of this section.

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

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

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

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

72 (D) The eligible financial institution makes the security deposit loan  
73 in accordance with such eligible financial institution's underwriting

74 policy and standards, except the eligible financial institution shall not  
75 use the eligible renter's creditworthiness or debt-to-income ratio in  
76 determining such eligible renter's eligibility to receive such security  
77 deposit loan;

78 (E) The eligible financial institution does not charge interest on the  
79 principal amount of the security deposit loan at a rate that exceeds four  
80 per cent per annum;

81 (F) The security deposit loan agreement requires the eligible renter to  
82 repay the security deposit loan in full to the eligible financial institution  
83 not later than twenty-four months after the date of the security deposit  
84 loan by making not fewer than twelve and not more than twenty-four  
85 equal installment payments;

86 (G) The security deposit loan agreement shall not contain a fee or  
87 penalty for the prepayment or early payment of the security deposit  
88 loan;

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

91 (I) The eligible financial institution (i) refers the eligible renter to the  
92 2-1-1 Infoline program, (ii) offers credit counseling services to the  
93 eligible renter or refers such eligible renter to a nonprofit entity that  
94 provides credit counseling services, and (iii) offers financial literacy  
95 classes to the eligible renter;

96 (J) The eligible financial institution makes enrollment and  
97 participation in a service to report on-time rental payments to credit  
98 bureaus available to the eligible renter;

99 (K) The eligible renter pays any application fee, which shall not  
100 exceed fifty dollars, to the eligible financial institution;

101 (L) Before the eligible financial institution provides security deposit  
102 loan funds to the eligible renter's landlord, the commissioner, or any  
103 local or regional nonprofit corporation or social service organization

104 under contract with the Department of Housing to assist in the  
105 administration of the security deposit loan assistance program  
106 established pursuant to subsection (b) of this section, verifies that the  
107 landlord to which the security deposit will be provided does not have a  
108 history of bringing frivolous or unreasonable claims in small claims  
109 actions or proceedings involving a housing matter; and

110 (M) The eligible financial institution discloses to the eligible renter in  
111 the security deposit loan agreement that there may be federal tax  
112 consequences to receiving a security deposit loan pursuant to this  
113 subsection.

114 (2) An eligible financial institution that makes a security deposit loan  
115 pursuant to this subsection shall notify the commissioner, in writing, not  
116 later than one business day after making such security deposit loan, and  
117 shall disclose such information about the eligible renter as the  
118 commissioner may reasonably request in connection with such security  
119 deposit loan.

120 (3) No individual shall be eligible to receive more than one security  
121 deposit loan under 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 fifty  
128 per cent of the outstanding principal of such security deposit loan,  
129 provided such eligible financial institution made a good faith effort to  
130 collect the outstanding principal balance of such security deposit loan.  
131 The remaining uncollected balance of the security deposit loan shall be  
132 a loss of the eligible financial institution. Such claim shall be made in the  
133 form and manner prescribed by the commissioner, and shall include any  
134 information the commissioner deems reasonably necessary to consider  
135 such claim. Before the commissioner approves and submits such a claim

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

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

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

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

168 (e) In assessing an eligible financial institution's community  
169 reinvestment performance under section 36a-32 or 36a-37a of the  
170 general statutes, the Banking Commissioner shall consider such eligible  
171 financial institution's participation in the security deposit loan  
172 assistance program established pursuant to subsection (b) of this  
173 section, including, but not limited to, the amount of loss incurred by  
174 such eligible financial institution from being unable to collect the  
175 remaining balance of security deposit loans issued under the program.

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

182 Sec. 2. (NEW) (*Effective July 1, 2024*) There is established an account  
183 to be known as the "security deposit loan assistance program account"  
184 which shall be a separate, nonlapsing account within the General Fund.  
185 The account shall contain any moneys required by law to be deposited  
186 in the account. Moneys in the account shall be expended by the  
187 Treasurer for the purposes of the security deposit loan assistance  
188 program established pursuant to subsection (b) of section 1 of this act.

189 Sec. 3. Subparagraph (B) of subdivision (20) of subsection (a) of  
190 section 12-701 of the 2024 supplement to the general statutes is repealed  
191 and the following is substituted in lieu thereof (*Effective January 1, 2025,*  
192 *and applicable to taxable years commencing on or after January 1, 2025*):

193 (B) There shall be subtracted therefrom:

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

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

199 (iii) To the extent properly includable in gross income for federal  
200 income tax purposes, the amount of any refund or credit for  
201 overpayment of income taxes imposed by this state, or any other state  
202 of the United States or a political subdivision thereof, or the District of  
203 Columbia;

204 (iv) To the extent properly includable in gross income for federal  
205 income tax purposes and not otherwise subtracted from federal  
206 adjusted gross income pursuant to clause (x) of this subparagraph in  
207 computing Connecticut adjusted gross income, any tier 1 railroad  
208 retirement benefits;

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

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

221 (vii) To the extent properly includable in determining the net gain or  
222 loss from the sale or other disposition of capital assets for federal income  
223 tax purposes, any gain from the sale or exchange of obligations issued  
224 by or on behalf of the state of Connecticut, any political subdivision  
225 thereof, or public instrumentality, state or local authority, district or  
226 similar public entity created under the laws of the state of Connecticut,  
227 in the income year such gain was recognized;

228 (viii) Any interest on indebtedness incurred or continued to purchase  
229 or carry obligations or securities the interest on which is subject to tax  
230 under this chapter but exempt from federal income tax, to the extent that



231 such interest on indebtedness is not deductible in determining federal  
232 adjusted gross income and is attributable to a trade or business carried  
233 on by such individual;

234 (ix) Ordinary and necessary expenses paid or incurred during the  
235 taxable year for the production or collection of income which is subject  
236 to taxation under this chapter but exempt from federal income tax, or  
237 the management, conservation or maintenance of property held for the  
238 production of such income, and the amortizable bond premium for the  
239 taxable year on any bond the interest on which is subject to tax under  
240 this chapter but exempt from federal income tax, to the extent that such  
241 expenses and premiums are not deductible in determining federal  
242 adjusted gross income and are attributable to a trade or business carried  
243 on by such individual;

244 (x) (I) For taxable years commencing prior to January 1, 2019, for a  
245 person who files a return under the federal income tax as an unmarried  
246 individual whose federal adjusted gross income for such taxable year is  
247 less than fifty thousand dollars, or as a married individual filing  
248 separately whose federal adjusted gross income for such taxable year is  
249 less than fifty thousand dollars, or for a husband and wife who file a  
250 return under the federal income tax as married individuals filing jointly  
251 whose federal adjusted gross income for such taxable year is less than  
252 sixty thousand dollars or a person who files a return under the federal  
253 income tax as a head of household whose federal adjusted gross income  
254 for such taxable year is less than sixty thousand dollars, an amount  
255 equal to the Social Security benefits includable for federal income tax  
256 purposes;

257 (II) For taxable years commencing prior to January 1, 2019, for a  
258 person who files a return under the federal income tax as an unmarried  
259 individual whose federal adjusted gross income for such taxable year is  
260 fifty thousand dollars or more, or as a married individual filing  
261 separately whose federal adjusted gross income for such taxable year is  
262 fifty thousand dollars or more, or for a husband and wife who file a  
263 return under the federal income tax as married individuals filing jointly

264 whose federal adjusted gross income from such taxable year is sixty  
265 thousand dollars or more or for a person who files a return under the  
266 federal income tax as a head of household whose federal adjusted gross  
267 income for such taxable year is sixty thousand dollars or more, an  
268 amount equal to the difference between the amount of Social Security  
269 benefits includable for federal income tax purposes and the lesser of  
270 twenty-five per cent of the Social Security benefits received during the  
271 taxable year, or twenty-five per cent of the excess described in Section  
272 86(b)(1) of the Internal Revenue Code;

273 (III) For the taxable year commencing January 1, 2019, and each  
274 taxable year thereafter, for a person who files a return under the federal  
275 income tax as an unmarried individual whose federal adjusted gross  
276 income for such taxable year is less than seventy-five thousand dollars,  
277 or as a married individual filing separately whose federal adjusted gross  
278 income for such taxable year is less than seventy-five thousand dollars,  
279 or for a husband and wife who file a return under the federal income tax  
280 as married individuals filing jointly whose federal adjusted gross  
281 income for such taxable year is less than one hundred thousand dollars  
282 or a person who files a return under the federal income tax as a head of  
283 household whose federal adjusted gross income for such taxable year is  
284 less than one hundred thousand dollars, an amount equal to the Social  
285 Security benefits includable for federal income tax purposes; and

286 (IV) For the taxable year commencing January 1, 2019, and each  
287 taxable year thereafter, for a person who files a return under the federal  
288 income tax as an unmarried individual whose federal adjusted gross  
289 income for such taxable year is seventy-five thousand dollars or more,  
290 or as a married individual filing separately whose federal adjusted gross  
291 income for such taxable year is seventy-five thousand dollars or more,  
292 or for a husband and wife who file a return under the federal income tax  
293 as married individuals filing jointly whose federal adjusted gross  
294 income from such taxable year is one hundred thousand dollars or more  
295 or for a person who files a return under the federal income tax as a head  
296 of household whose federal adjusted gross income for such taxable year  
297 is one hundred thousand dollars or more, an amount equal to the

298 difference between the amount of Social Security benefits includable for  
299 federal income tax purposes and the lesser of twenty-five per cent of the  
300 Social Security benefits received during the taxable year, or twenty-five  
301 per cent of the excess described in Section 86(b)(1) of the Internal  
302 Revenue Code;

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

306 (xii) To the extent properly includable in the gross income for federal  
307 income tax purposes of a designated beneficiary, any distribution to  
308 such beneficiary from any qualified state tuition program, as defined in  
309 Section 529(b) of the Internal Revenue Code, established and  
310 maintained by this state or any official, agency or instrumentality of the  
311 state;

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

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

320 (xv) To the extent properly includable in the gross income for federal  
321 income tax purposes of a designated beneficiary, as defined in section  
322 3-123aa, interest, dividends or capital gains earned on contributions to  
323 accounts established for the designated beneficiary pursuant to the  
324 Connecticut Homecare Option Program for the Elderly established by  
325 sections 3-123aa to 3-123ff, inclusive;

326 (xvi) To the extent properly includable in gross income for federal  
327 income tax purposes, any income received from the United States  
328 government as retirement pay for a retired member of (I) the Armed

329 Forces of the United States, as defined in Section 101 of Title 10 of the  
330 United States Code, or (II) the National Guard, as defined in Section 101  
331 of Title 10 of the United States Code;

332 (xvii) To the extent properly includable in gross income for federal  
333 income tax purposes for the taxable year, any income from the discharge  
334 of indebtedness in connection with any reacquisition, after December  
335 31, 2008, and before January 1, 2011, of an applicable debt instrument or  
336 instruments, as those terms are defined in Section 108 of the Internal  
337 Revenue Code, as amended by Section 1231 of the American Recovery  
338 and Reinvestment Act of 2009, to the extent any such income was added  
339 to federal adjusted gross income pursuant to subparagraph (A)(xi) of  
340 this subdivision in computing Connecticut adjusted gross income for a  
341 preceding taxable year;

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

346 (xix) To the extent properly includable in gross income for federal  
347 income tax purposes, (I) for the taxable year commencing January 1,  
348 2015, ten per cent of the income received from the state teachers'  
349 retirement system, (II) for the taxable years commencing January 1,  
350 2016, to January 1, 2020, inclusive, twenty-five per cent of the income  
351 received from the state teachers' retirement system, and (III) for the  
352 taxable year commencing January 1, 2021, and each taxable year  
353 thereafter, fifty per cent of the income received from the state teachers'  
354 retirement system or, for a taxpayer whose federal adjusted gross  
355 income does not exceed the applicable threshold under clause (xx) of  
356 this subparagraph, the percentage pursuant to said clause of the income  
357 received from the state teachers' retirement system, whichever  
358 deduction is greater;

359 (xx) To the extent properly includable in gross income for federal  
360 income tax purposes, except for retirement benefits under clause (iv) of

361 this subparagraph and retirement pay under clause (xvi) of this  
 362 subparagraph, for a person who files a return under the federal income  
 363 tax as an unmarried individual whose federal adjusted gross income for  
 364 such taxable year is less than seventy-five thousand dollars, or as a  
 365 married individual filing separately whose federal adjusted gross  
 366 income for such taxable year is less than seventy-five thousand dollars,  
 367 or as a head of household whose federal adjusted gross income for such  
 368 taxable year is less than seventy-five thousand dollars, or for a husband  
 369 and wife who file a return under the federal income tax as married  
 370 individuals filing jointly whose federal adjusted gross income for such  
 371 taxable year is less than one hundred thousand dollars, (I) for the taxable  
 372 year commencing January 1, 2019, fourteen per cent of any pension or  
 373 annuity income, (II) for the taxable year commencing January 1, 2020,  
 374 twenty-eight per cent of any pension or annuity income, (III) for the  
 375 taxable year commencing January 1, 2021, forty-two per cent of any  
 376 pension or annuity income, and (IV) for the taxable years commencing  
 377 January 1, 2022, and January 1, 2023, one hundred per cent of any  
 378 pension or annuity income;

379 (xxi) To the extent properly includable in gross income for federal  
 380 income tax purposes, except for retirement benefits under clause (iv) of  
 381 this subparagraph and retirement pay under clause (xvi) of this  
 382 subparagraph, any pension or annuity income for the taxable year  
 383 commencing on or after January 1, 2024, and each taxable year  
 384 thereafter, in accordance with the following schedule, for a person who  
 385 files a return under the federal income tax as an unmarried individual  
 386 whose federal adjusted gross income for such taxable year is less than  
 387 one hundred thousand dollars, or as a married individual filing  
 388 separately whose federal adjusted gross income for such taxable year is  
 389 less than one hundred thousand dollars, or as a head of household  
 390 whose federal adjusted gross income for such taxable year is less than  
 391 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%

392 (xxii) To the extent properly includable in gross income for federal  
 393 income tax purposes, except for retirement benefits under clause (iv) of  
 394 this subparagraph and retirement pay under clause (xvi) of this  
 395 subparagraph, any pension or annuity income for the taxable year  
 396 commencing on or after January 1, 2024, and each taxable year  
 397 thereafter, in accordance with the following schedule for married  
 398 individuals who file a return under the federal income tax as married  
 399 individuals filing jointly whose federal adjusted gross income for such  
 400 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%

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

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

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

416 (xxvi) To the extent any portion of a deduction under Section 179 of  
417 the Internal Revenue Code was added to federal adjusted gross income  
418 pursuant to subparagraph (A)(xiv) of this subdivision in computing  
419 Connecticut adjusted gross income, twenty-five per cent of such  
420 disallowed portion of the deduction in each of the four succeeding  
421 taxable years;

422 (xxvii) To the extent properly includable in gross income for federal  
423 income tax purposes, for a person who files a return under the federal  
424 income tax as an unmarried individual whose federal adjusted gross  
425 income for such taxable year is less than seventy-five thousand dollars,  
426 or as a married individual filing separately whose federal adjusted gross  
427 income for such taxable year is less than seventy-five thousand dollars,  
428 or as a head of household whose federal adjusted gross income for such  
429 taxable year is less than seventy-five thousand dollars, or for a husband  
430 and wife who file a return under the federal income tax as married  
431 individuals filing jointly whose federal adjusted gross income for such  
432 taxable year is less than one hundred thousand dollars, for the taxable  
433 year commencing January 1, 2023, twenty-five per cent of any  
434 distribution from an individual retirement account other than a Roth  
435 individual retirement account;

436 (xxviii) To the extent properly includable in gross income for federal  
437 income tax purposes, for a person who files a return under the federal

438 income tax as an unmarried individual whose federal adjusted gross  
 439 income for such taxable year is less than one hundred thousand dollars,  
 440 or as a married individual filing separately whose federal adjusted gross  
 441 income for such taxable year is less than one hundred thousand dollars,  
 442 or as a head of household whose federal adjusted gross income for such  
 443 taxable year is less than one hundred thousand dollars, (I) for the taxable  
 444 year commencing January 1, 2024, fifty per cent of any distribution from  
 445 an individual retirement account other than a Roth individual  
 446 retirement account, (II) for the taxable year commencing January 1, 2025,  
 447 seventy-five per cent of any distribution from an individual retirement  
 448 account other than a Roth individual retirement account, and (III) for  
 449 the taxable year commencing January 1, 2026, and each taxable year  
 450 thereafter, any distribution from an individual retirement account other  
 451 than a Roth individual retirement account. The subtraction under this  
 452 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%

453 (xxix) To the extent properly includable in gross income for federal  
 454 income tax purposes, for married individuals who file a return under  
 455 the federal income tax as married individuals filing jointly whose  
 456 federal adjusted gross income for such taxable year is less than one  
 457 hundred fifty thousand dollars, (I) for the taxable year commencing  
 458 January 1, 2024, fifty per cent of any distribution from an individual  
 459 retirement account other than a Roth individual retirement account, (II)  
 460 for the taxable year commencing January 1, 2025, seventy-five per cent



461 of any distribution from an individual retirement account other than a  
 462 Roth individual retirement account, and (III) for the taxable year  
 463 commencing January 1, 2026, and each taxable year thereafter, any  
 464 distribution from an individual retirement account other than a Roth  
 465 individual retirement account. The subtraction under this clause shall  
 466 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%

467 (xxx) To the extent properly includable in gross income for federal  
 468 income tax purposes, for the taxable year commencing January 1, 2022,  
 469 the amount or amounts paid or otherwise credited to any eligible  
 470 resident of this state under (I) the 2020 Earned Income Tax Credit  
 471 enhancement program from funding allocated to the state through the  
 472 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,  
 473 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned  
 474 Income Tax Credit enhancement program from funding allocated to the  
 475 state pursuant to Section 9901 of Subtitle M of Title IX of the American  
 476 Rescue Plan Act of 2021, P.L. 117-2;

477 (xxxi) For the taxable year commencing January 1, 2023, and each  
 478 taxable year thereafter, for a taxpayer licensed under the provisions of  
 479 chapter 420f or 420h, the amount of ordinary and necessary expenses  
 480 that would be eligible to be claimed as a deduction for federal income  
 481 tax purposes under Section 162(a) of the Internal Revenue Code but that  
 482 are disallowed under Section 280E of the Internal Revenue Code

483 because marijuana is a controlled substance under the federal  
484 Controlled Substance Act;

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

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

493 (xxxiv) Contributions to an ABLE account established pursuant to  
494 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for  
495 each individual taxpayer or ten thousand dollars for taxpayers filing a  
496 joint return; and

497 (xxxv) To the extent properly includable in gross income for federal  
498 income tax purposes, interest deferred by or not charged to an eligible  
499 renter in connection with a security deposit loan issued under section 1  
500 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>July 1, 2024</i>	New section
Sec. 3	<i>January 1, 2025, and applicable to taxable years commencing on or after January 1, 2025</i>	12-701(a)(20)(B)