



General Assembly

Substitute Bill No. 7240

January Session, 2025



AN ACT ESTABLISHING A CREDIT AGAINST THE PERSONAL INCOME TAX FOR OWNERS OF FAMILY CHILD CARE HOMES.

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

1 Section 1. (NEW) (*Effective January 1, 2026, and applicable to taxable*
2 *years commencing on or after January 1, 2026*) (a) There shall be allowed a
3 credit against the tax imposed by chapter 229 of the general statutes,
4 other than the liability imposed by section 12-707 of the general statutes,
5 for a taxpayer who owns a family child care home, as described in
6 section 19a-77 of the general statutes, and is licensed under section 19a-
7 87b of the general statutes, in the amount of five hundred dollars per
8 family child care home.

9 (b) If the taxpayer is an S corporation or an entity treated as a
10 partnership for federal income tax purposes, the credit may be claimed
11 by the taxpayer's shareholders or partners. If such taxpayer is a single
12 member limited liability company that is disregarded as an entity
13 separate from its owner, the credit may be claimed by such limited
14 liability company's owner, provided such owner is subject to the tax
15 imposed by chapter 229 of the general statutes.

16 (c) If the amount of the credit allowed pursuant to this section exceeds
17 such taxpayer's tax liability for the tax imposed by chapter 229 of the
18 general statutes, the Commissioner of Revenue Services shall treat such

19 excess as an overpayment and, except as provided in section 12-739 or
20 12-742 of the general statutes, shall refund the amount of such excess,
21 without interest, to such taxpayer.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2026, and applicable to taxable years commencing on or after January 1, 2026</i>	New section

FIN *Joint Favorable Subst.*