



General Assembly

February Session, 2026

Governor's Bill No. 84

LCO No. 542



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:

Request of the Governor Pursuant
to Joint Rule 9

AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.

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

1 Section 1. Subsection (b) of section 12-217 of the 2026 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (b) (1) For purposes of determining net income under this section, the
5 deduction allowed for depreciation shall be determined as provided
6 under the Internal Revenue Code of 1986, or any subsequent
7 corresponding internal revenue code of the United States, as from time
8 to time amended, provided in making such determination, the
9 provisions of Section 168(k) of said code and, for income years
10 commencing on or after January 1, 2026, the provisions of Section 168(n)
11 of said code, shall not apply.

12 (2) (A) For purposes of determining net income under this section for
13 taxable years ending after December 31, 2008, and to the extent any

14 income from the discharge of indebtedness, under Section 108 of the
15 Internal Revenue Code, as amended by Section 1231 of the American
16 Recovery and Reinvestment Act of 2009, in connection with any
17 reacquisition, after December 31, 2008, and [before] prior to January 1,
18 2011, of an applicable debt instrument or instruments, as those terms are
19 defined in said Section 108, as amended by said Section 1231, is not
20 properly includable in gross income for federal income tax purposes for
21 the taxable year, any deferral of the recognition of any such income shall
22 not be allowed.

23 (B) To the extent that any income from the discharge of indebtedness
24 in connection with any reacquisition, after December 31, 2008, and
25 [before] prior to January 1, 2011, of an applicable debt instrument or
26 instruments, as those terms are defined in Section 108 of the Internal
27 Revenue Code, as amended by Section 1231 of the American Recovery
28 and Reinvestment Act of 2009, is properly includable in gross income
29 for federal income tax purposes for the taxable year, any such income
30 shall be deductible in computing net income under this section for a
31 taxable year ending after December 31, 2008, to the extent that the
32 deferral of recognition of such income from such discharge was not
33 allowed pursuant to subparagraph (A) of this subdivision in computing
34 net income for a preceding taxable year.

35 (C) For income years commencing on or after January 1, 2018, eighty
36 per cent of any deduction claimed under Section 179 of the Internal
37 Revenue Code for federal income tax purposes shall be disallowed. To
38 the extent such a deduction is disallowed for purposes of computing the
39 tax under this chapter, twenty-five per cent of the disallowed portion of
40 the deduction shall be allowed as a deduction in each of the four
41 succeeding income years.

42 (D) For purposes of determining net income under this section:

43 (i) For income years commencing on or after January 1, 2022, the
44 deduction under Section 70302(f) of P.L. 119-21 is disallowed;

45 (ii) For income years commencing on or after January 1, 2025, and
46 prior to January 1, 2026, the deduction under Section 174A of the
47 Internal Revenue Code is disallowed; and

48 (iii) For income years commencing on or after January 1, 2022, and
49 prior to January 1, 2026, any research or experimental expenditures paid
50 or incurred for said income years shall be deducted as permitted under
51 Section 174 of the Internal Revenue Code, as in effect on July 3, 2025.

52 Sec. 2. (*Effective from passage*) (a) The provisions of section 12-242d of
53 the general statutes shall not apply to any additional tax due as a result
54 of (1) the changes made to subdivision (1) of subsection (b) of section 12-
55 217 of the general statutes pursuant to section 1 of this act, for income
56 years commencing on or after January 1, 2026, but prior to the effective
57 date of section 1 of this act, or (2) the enactment of subparagraph (D) of
58 subdivision (2) of subsection (b) of section 12-217 of the general statutes
59 pursuant to section 1 of this act, for income years commencing on or
60 after January 1, 2022, but prior to January 1, 2026.

61 (b) Notwithstanding the provisions of sections 12-3a and 12-229 of
62 the general statutes, the Commissioner of Revenue Services shall waive
63 any penalty or interest imposed on the portion of any underpayment for
64 an income year commencing on or after January 1, 2022, but prior to
65 January 1, 2026, that results from any additional tax due as a result of
66 the enactment of subparagraph (D) of subdivision (2) of subsection (b)
67 of section 12-217 of the general statutes pursuant to section 1 of this act.
68 The waiver under this subsection shall not apply to such additional tax
69 that remains underpaid after the later of (1) November 15, 2026, or (2)
70 the due date, without regard to any extension of time to file, of the return
71 on which such additional tax is reported. Taxpayers shall submit
72 information, in a form and manner prescribed by the commissioner, that
73 evidences their eligibility for a waiver under this subsection.

74 Sec. 3. Subsections (a) and (b) of section 12-263q of the 2026
75 supplement to the general statutes, as amended by section 360 of public

76 act 25-168, are repealed and the following is substituted in lieu thereof
77 (*Effective July 1, 2026*):

78 (a) (1) For each calendar quarter commencing on or after July 1, 2017,
79 each hospital shall pay a tax on the total net revenue received by such
80 hospital for the provision of inpatient hospital services and outpatient
81 hospital services.

82 (A) (i) On and after July 1, 2017, through June 30, 2026, the rate of tax
83 for the provision of inpatient hospital services shall be six per cent of
84 each hospital's audited net revenue for fiscal year 2016 attributable to
85 inpatient hospital services.

86 (ii) On and after July 1, 2026, and prior to October 1, 2030, the rate of
87 tax for the provision of inpatient hospital services shall be ~~[six]~~ four and
88 one-tenths per cent of each hospital's audited net revenue for the
89 applicable federal fiscal year attributable to inpatient hospital services.

90 (iii) On and after October 1, 2030, and prior to October 1, 2031, the
91 rate of tax for the provision of inpatient hospital services shall be four
92 per cent of each hospital's audited net revenue for the applicable federal
93 fiscal year attributable to inpatient hospital services. On and after
94 October 1, 2031, the rate of tax for the provision of inpatient hospital
95 services shall be three and one-half per cent of each hospital's audited
96 net revenue for the applicable federal fiscal year attributable to inpatient
97 hospital services.

98 (B) (i) On and after July 1, 2017, and prior to July 1, 2019, the rate of
99 tax for the provision of outpatient hospital services shall be nine
100 hundred million dollars less the total tax imposed on all hospitals for
101 the provision of inpatient hospital services, which sum shall be divided
102 by the total audited net revenue for fiscal year 2016 attributable to
103 outpatient hospital services, of all hospitals that are required to pay such
104 tax, resulting in an effective rate of twelve and three thousand three
105 hundred twenty-five ten thousandths (12.3325) per cent of each
106 hospital's audited net revenue for fiscal year 2016 attributable to

107 outpatient hospital services.

108 (ii) On and after July 1, 2019, and prior to July 1, 2020, the rate of tax
109 for the provision of outpatient hospital services shall be eight hundred
110 ninety million dollars less the total tax imposed on all hospitals for the
111 provision of inpatient hospital services, which sum shall be divided by
112 the total audited net revenue for fiscal year 2016 attributable to
113 outpatient hospital services, of all hospitals that are required to pay such
114 tax, resulting in an effective rate of twelve and nine hundred forty-two
115 ten thousandths (12.0942) per cent of each hospital's audited net revenue
116 for fiscal year 2016 attributable to outpatient hospital services, subject to
117 any hospital dissolutions or cessation of operations pursuant to
118 subparagraph (D) of this subdivision or disallowed exemptions
119 pursuant to subsections (b) and (c) of this section.

120 (iii) On and after July 1, 2020, and prior to July 1, 2021, the rate of tax
121 for the provision of outpatient hospital services shall be eight hundred
122 eighty-two million dollars less the total tax imposed on all hospitals for
123 the provision of inpatient hospital services, which sum shall be divided
124 by the total audited net revenue for fiscal year 2016 attributable to
125 outpatient hospital services, of all hospitals that are required to pay such
126 tax, resulting in an effective rate of eleven and seven thousand five
127 hundred three ten thousandths (11.7503) per cent of each hospital's
128 audited net revenue for fiscal year 2016 attributable to outpatient
129 hospital services, subject to any hospital dissolutions or cessation of
130 operations pursuant to subparagraph (D) of this subdivision or
131 disallowed exemptions pursuant to subsections (b) and (c) of this
132 section.

133 (iv) On and after July 1, 2021, and prior to July 1, 2025, the rate of tax
134 for the provision of outpatient hospital services shall be eight hundred
135 fifty million dollars less the total tax imposed on all hospitals for the
136 provision of inpatient hospital services, which sum shall be divided by
137 the total audited net revenue for fiscal year 2016 attributable to
138 outpatient hospital services, of all hospitals that are required to pay such

139 tax, resulting in an effective rate of eleven and nine hundred seventy-six
140 ten thousandths (11.0976) per cent of each hospital's audited net revenue
141 for fiscal year 2016 attributable to outpatient hospital services, subject to
142 any hospital dissolutions or cessation of operations pursuant to
143 subparagraph (D) of this subdivision or disallowed exemptions
144 pursuant to subsections (b) and (c) of this section.

145 (v) On and after July 1, 2025, and prior to July 1, 2026, the rate of tax
146 for the provision of outpatient hospital services shall be eight hundred
147 twenty million dollars less the total tax imposed on all hospitals for the
148 provision of inpatient hospital services, which sum shall be divided by
149 the total audited net revenue for fiscal year 2016 attributable to
150 outpatient hospital services, of all hospitals that are required to pay such
151 tax, resulting in an effective rate of ten and four thousand eight hundred
152 fifty-eight ten thousandths (10.4858) per cent of each hospital's audited
153 net revenue for fiscal year 2016 attributable to outpatient hospital
154 services, subject to any hospital dissolutions or cessation of operations
155 pursuant to subparagraph (D) of this subdivision or disallowed
156 exemptions pursuant to subsections (b) and (c) of this section.

157 (vi) (I) On and after July 1, 2026, the rate of tax for the provision of
158 outpatient hospital services shall be equal to the amount specified under
159 clause (vi)(II) of this subparagraph less the total tax imposed on all
160 hospitals for the provision of inpatient hospital services, which sum
161 shall be divided by the total audited net revenue for the applicable
162 federal fiscal year attributable to outpatient hospital services, of all
163 hospitals that are required to pay such tax, subject to any hospital
164 dissolutions or cessation of operations pursuant to subparagraph (D) of
165 this subdivision or disallowed exemptions pursuant to subsections (b)
166 and (c) of this section.

167 (II) For the state fiscal year commencing July 1, 2026, the amount shall
168 be [one billion one hundred ninety-five] nine hundred twenty million
169 dollars. For the state fiscal year commencing July 1, 2027, and each state
170 fiscal year thereafter, such amount shall be increased by twenty-five

171 million dollars from the prior state fiscal year.

172 (C) (i) (I) For each state fiscal year commencing on or after July 1,
173 2019, and prior to July 1, 2026, the total audited net revenue for fiscal
174 year 2016 attributable to inpatient hospital services, of all hospitals that
175 are required to pay the tax under this section, shall be five billion ninety-
176 seven million eight hundred twenty thousand one hundred ninety-
177 seven dollars, subject to any hospital dissolutions or cessation of
178 operations pursuant to subparagraph (D) of this subdivision or
179 disallowed exemptions pursuant to subsections (b) and (c) of this
180 section.

181 (II) For each state fiscal year commencing on or after July 1, 2026, the
182 total audited net revenue for the applicable federal fiscal year
183 attributable to inpatient hospital services, of all hospitals that are
184 required to pay the tax under this section, shall be the total amount of
185 net revenue attributable to inpatient hospital services reported to the
186 commissioner for the applicable federal fiscal year by all hospitals
187 subject to the tax or, if applicable, as adjusted by the commissioner, in
188 accordance with the provisions of subparagraph (A) of subdivision (4)
189 of this subsection, subject to any hospital dissolutions or cessation of
190 operations pursuant to subparagraph (D) of this subdivision,
191 disallowed exemptions pursuant to subsections (b) and (c) of this section
192 or the provisions of subdivision (4) of this subsection.

193 (ii) (I) For the state fiscal year commencing on or after July 1, 2019,
194 and prior to July 1, 2020, the total audited net revenue for fiscal year
195 2016 attributable to outpatient hospital services, of all hospitals that are
196 required to pay the tax under this section shall be four billion eight
197 hundred twenty-nine million eight hundred fifty-nine thousand three
198 hundred ninety-nine dollars, subject to any hospital dissolutions or
199 cessation of operations pursuant to subparagraph (D) of this
200 subdivision or disallowed exemptions pursuant to subsections (b) and
201 (c) of this section.

202 (II) For each state fiscal year commencing on or after July 1, 2020, and
203 prior to July 1, 2026, the total audited net revenue for fiscal year 2016
204 attributable to outpatient hospital services, of all hospitals that are
205 required to pay the tax under this section, shall be four billion nine
206 hundred three million one hundred twenty-seven thousand one
207 hundred thirty-three dollars, subject to any hospital dissolutions or
208 cessation of operations pursuant to subparagraph (D) of this
209 subdivision or disallowed exemptions pursuant to subsections (b) and
210 (c) of this section.

211 (III) For each state fiscal year commencing on or after July 1, 2026, the
212 total audited net revenue for the applicable federal fiscal year
213 attributable to outpatient hospital services, of all hospitals that are
214 required to pay the tax under this section, shall be the total amount of
215 net revenue attributable to outpatient hospital services reported to the
216 commissioner for the applicable federal fiscal year by all hospitals
217 subject to the tax or, if applicable, as adjusted by the commissioner, in
218 accordance with the provisions of subparagraph (A) of subdivision (4)
219 of this subsection, subject to any hospital dissolutions or cessation of
220 operations pursuant to subparagraph (D) of this subdivision,
221 disallowed exemptions pursuant to subsections (b) and (c) of this section
222 or the provisions of subdivision (4) of this subsection.

223 (D) (i) If a hospital or hospitals subject to the tax imposed under this
224 subdivision merge, consolidate, are acquired or otherwise reorganize,
225 the surviving hospital shall assume and be liable for the total tax
226 imposed under this subdivision on the merged, consolidated, acquired
227 or reorganized hospitals, including any outstanding liabilities from
228 periods prior to such merger, consolidation, acquisition or
229 reorganization.

230 (ii) If a hospital ceases to operate as a hospital for any reason other
231 than a merger, consolidation, acquisition or reorganization, or ceases for
232 any reason to be subject to the tax imposed under this subdivision, the
233 amount of tax due from each taxpayer under this subdivision shall not

234 be recalculated to take into account such occurrence for the state fiscal
235 year in which the hospital dissolves or ceases to operate. The amount of
236 tax that would be due from the dissolved hospital after its dissolution
237 or cessation of operations shall not be collected by the commissioner for
238 the state fiscal year in which such hospital dissolves or ceases to operate.
239 In the next succeeding state fiscal year after the hospital dissolves or
240 ceases to operate and in each subsequent state fiscal year, the total
241 audited net revenue for the applicable federal fiscal year shall be
242 adjusted to exclude such hospital's audited net revenue for the
243 applicable federal fiscal year and the effective rate of the tax due under
244 this section shall be adjusted to ensure that the total amount of such tax
245 to be collected under subparagraphs (A) and (B) of this subdivision is
246 redistributed among the surviving hospitals in proportion to the
247 reduced total audited net revenue for the applicable federal fiscal year
248 attributable to inpatient hospital services and outpatient hospital
249 services, of all hospitals.

250 (E) (i) For each state fiscal year commencing on or after July 1, 2026,
251 if the Commissioner of Social Services determines for any fiscal year that
252 the effective rate of tax for the tax imposed on net revenue for the
253 provision of inpatient hospital services exceeds the rate permitted under
254 the provisions of 42 CFR 433.68(f), as amended from time to time, the
255 amount of tax collected that exceeds the permissible amount shall be
256 refunded to hospitals, in proportion to the amount of net revenue for
257 the provision of inpatient hospital services upon which the hospitals
258 were taxed. The effective rate of tax shall be calculated by comparing
259 the amount of tax paid by hospitals on net revenue for the provision of
260 inpatient hospital services in a state fiscal year with the amount of net
261 revenue received by hospitals subject to the tax for the provision of
262 inpatient hospital services for the equivalent fiscal year.

263 (ii) On or before July 1, 2026, and annually thereafter, each hospital
264 subject to the tax imposed under this subdivision shall report to the
265 Commissioner of Social Services, in the manner prescribed by and on
266 forms provided by said commissioner, the amount of tax paid pursuant

267 to this subsection by such hospital and the amount of net revenue
268 received by such hospital for the provision of inpatient hospital services,
269 in the state fiscal year commencing two years prior to each such
270 reporting date. Not later than ninety days after said commissioner
271 receives completed reports from all hospitals required to submit such
272 reports, said commissioner shall notify the Commissioner of Revenue
273 Services of the amount of any refund due each hospital to be in
274 compliance with 42 CFR 433.68(f), as amended from time to time. Not
275 later than thirty days after receiving such notice, the Commissioner of
276 Revenue Services shall notify the Comptroller of the amount of each
277 such refund and the Comptroller shall draw an order on the Treasurer
278 for payment of each such refund. No interest shall be added to any
279 refund issued pursuant to this subparagraph.

280 (2) Except as provided in subdivision (3) of this subsection, each
281 hospital subject to the tax imposed under subdivision (1) of this
282 subsection shall be required to pay the total amount due in four
283 quarterly payments consistent with section 12-263s, as amended by this
284 act, with the first quarter commencing with the first day of each state
285 fiscal year and the last quarter ending on the last day of each state fiscal
286 year. Hospitals shall make all payments required under this subsection
287 in accordance with procedures established by and on forms provided
288 by the commissioner.

289 (3) (A) For the state fiscal year commencing July 1, 2017, each hospital
290 required to pay tax on inpatient hospital services or outpatient hospital
291 services shall make an estimated tax payment on December 15, 2017,
292 which estimated payment shall be equal to one hundred thirty-three per
293 cent of the tax due under chapter 211a for the period ending June 30,
294 2017. If a hospital was not required to pay tax under chapter 211a on
295 either inpatient hospital services or outpatient hospital services, such
296 hospital shall make its estimated payment based on its unaudited net
297 patient revenue.

298 (B) Each hospital required to pay tax pursuant to this subdivision on

299 inpatient hospital services or outpatient hospital services shall pay the
300 remaining balance determined to be due in two equal payments, which
301 shall be due on April 30, 2018, and July 31, 2018, respectively.

302 (C) (i) (I) For each state fiscal year commencing on or after July 1,
303 2017, and prior to July 1, 2026, each hospital required to pay tax on
304 inpatient hospital services or outpatient hospital services shall calculate
305 the amount of tax due on forms prescribed by the commissioner by
306 multiplying the applicable rate set forth in subdivision (1) of this
307 subsection by its audited net revenue for fiscal year 2016.

308 (II) For each state fiscal year commencing on or after July 1, 2026, each
309 hospital required to pay tax on inpatient hospital services or outpatient
310 hospital services shall calculate the amount of tax due on forms
311 prescribed by the commissioner.

312 (ii) For the state fiscal year commencing July 1, 2019, the payment
313 made for the period ending September 30, 2019, by each hospital
314 required to pay tax on inpatient hospital services or outpatient hospital
315 services shall be considered an estimated payment for purposes of the
316 tax due for said state fiscal year. Each hospital required to pay the tax
317 under this section on inpatient hospital services or outpatient hospital
318 services shall pay the remaining balance due in three equal payments,
319 which shall be due on January 31, 2020, April 30, 2020, and July 31, 2020,
320 respectively.

321 (D) The commissioner shall apply any payment made by a hospital
322 in connection with the tax under chapter 211a for the period ending
323 September 30, 2017, as a partial payment of such hospital's estimated tax
324 payment due on December 15, 2017, under subparagraph (A) of this
325 subdivision. The commissioner shall return to a hospital any credit
326 claimed by such hospital in connection with the tax imposed under
327 chapter 211a for the period ending September 30, 2017, for assignment
328 as provided under section 12-263s, as amended by this act.

329 (4) (A) (i) Each hospital required to pay tax on inpatient hospital

330 services or outpatient hospital services shall submit to the commissioner
331 such information as the commissioner requires in order to calculate the
332 audited net inpatient revenue for fiscal year 2016, the audited net
333 outpatient revenue for fiscal year 2016 and the audited net revenue for
334 fiscal year 2016 of all such health care providers. Such information shall
335 be provided to the commissioner not later than January 1, 2018. The
336 commissioner shall make additional requests for information as
337 necessary to fully audit each hospital's net revenue. Upon completion of
338 the commissioner's examination, the commissioner shall notify, prior to
339 February 28, 2018, each hospital of its audited net inpatient revenue for
340 fiscal year 2016, audited net outpatient revenue for fiscal year 2016 and
341 audited net revenue for fiscal year 2016.

342 (ii) (I) Each hospital required to pay tax on inpatient hospital services
343 or outpatient hospital services shall submit to the commissioner such
344 information as the commissioner requires in order to calculate the
345 audited net inpatient revenue for federal fiscal year 2024, the audited
346 net outpatient revenue for federal fiscal year 2024 and the audited net
347 revenue for federal fiscal year 2024 of all such health care providers.
348 Such information shall be provided to the commissioner not later than
349 July 15, 2026. The commissioner shall make additional requests for
350 information as necessary to fully audit each hospital's net revenue.

351 (II) Upon completion of the commissioner's examination under this
352 clause, the commissioner shall notify, prior to August 31, 2026, each
353 hospital of its audited net inpatient revenue for federal fiscal year 2024,
354 the audited net outpatient revenue for federal fiscal year 2024 and the
355 audited net revenue for federal fiscal year 2024. Such audited net
356 revenue shall be final fourteen days after the date such notice is mailed
357 to the taxpayer, unless the taxpayer files a written protest with the
358 commissioner. If a protest is filed, the commissioner shall reconsider the
359 audited net revenue and, if the taxpayer or the taxpayer's authorized
360 representative has requested a hearing, shall grant or deny such hearing.
361 The commissioner shall mail notice of the commissioner's determination
362 to the taxpayer, which notice shall briefly set forth the commissioner's

363 findings of fact and the basis of the commissioner's decision in each case
364 decided adversely, in whole or in part, to the taxpayer. The
365 commissioner's action on the taxpayer's protest shall be final upon the
366 expiration of one month from the date the commissioner mails the notice
367 of the commissioner's determination to the taxpayer, unless the
368 taxpayer seeks judicial review of such determination within such
369 period.

370 (III) If any protest or appeal is pending on October 1, 2026, the
371 amounts determined by the commissioner and reported to the taxpayer
372 prior to August 31, 2026, shall be used to tentatively calculate the tax
373 due under this section until such protest or appeal is finally resolved. If
374 any amount is revised pursuant to such protest or appeal from the
375 amount originally determined by the commissioner, the commissioner
376 shall recalculate for each hospital the amounts due under this section
377 and shall issue assessments or refunds, as applicable, with respect to any
378 affected calendar quarter.

379 [(ii)] (iii) (I) Not later than [January 1, 2026, and] January 1, 2029, and
380 quadrennially thereafter, each hospital required to pay tax on inpatient
381 hospital services or outpatient hospital services shall submit to the
382 commissioner such information as the commissioner requires in order
383 to calculate, for the [applicable] federal fiscal year applicable to the next
384 succeeding quadrennial period as set forth in subparagraph (A)(vii) of
385 subdivision (6) of this subsection, the audited net inpatient revenue, the
386 audited net outpatient revenue and the audited net revenue of all such
387 hospitals. The amounts reported by each hospital shall be deemed
388 accepted on the first day of the state fiscal year, provided the
389 commissioner has not initiated an audit of the hospital before such first
390 day.

391 (II) If the commissioner initiates an audit of a hospital, such hospital
392 shall comply with all additional requests by the commissioner for
393 information necessary to enable the commissioner to fully audit the
394 hospital within fourteen days of the date the commissioner requests

395 such information.

396 (III) The commissioner shall issue any notice setting forth additional
397 audited net revenue not later than the first day of the state fiscal year.
398 Such additional audited net revenue shall be final fourteen days after
399 the date such notice is mailed to the taxpayer, except for any amounts
400 as to which the taxpayer files a written protest with the commissioner.
401 If a protest is filed, the commissioner shall reconsider the additional
402 audited net revenue and, if the taxpayer or the taxpayer's authorized
403 representative has requested a hearing, shall grant or deny such hearing.
404 The commissioner shall mail notice of the commissioner's determination
405 to the taxpayer, which notice shall briefly set forth the commissioner's
406 findings of fact and the basis of the commissioner's decision in each case
407 decided adversely, in whole or in part, to the taxpayer. The
408 commissioner's action on the taxpayer's protest shall be final upon the
409 expiration of one month from the date the commissioner mails the notice
410 of the commissioner's determination to the taxpayer, unless the
411 taxpayer seeks judicial review of such determination within such
412 period.

413 (IV) If any protest or appeal is pending on the first day of the next
414 succeeding state fiscal year, the amounts reported by the protesting or
415 appealing taxpayer shall be used to tentatively calculate the tax due
416 under this section until such protest or appeal is finally resolved. If any
417 amount is revised pursuant to such protest or appeal from the amount
418 originally reported by a hospital, the commissioner shall recalculate for
419 each hospital the amounts due under this section and shall issue
420 assessments or refunds, as applicable, with respect to any affected
421 calendar quarter.

422 (V) A notice under this clause shall not be required for any hospital
423 for which an audit has not been issued.

424 (B) Any hospital that fails to provide the requested information by
425 the dates specified in subparagraph (A) of this subdivision or fails to

426 comply with a request for additional information made under this
427 subdivision shall be subject to a penalty of one thousand dollars per day
428 for each day the hospital fails to provide the requested information or
429 additional information.

430 (C) The commissioner may engage an independent auditor to assist
431 in the performance of the commissioner's duties and responsibilities
432 under this subdivision.

433 (5) Net revenue derived from providing a health care item or service
434 to a patient shall be taxed only one time under this section.

435 (6) (A) For purposes of this section:

436 (i) "Audited net inpatient revenue for fiscal year 2016" means the
437 amount of revenue that the commissioner determines, in accordance
438 with federal law, that a hospital received for the provision of inpatient
439 hospital services during the 2016 federal fiscal year;

440 (ii) "Audited net outpatient revenue for fiscal year 2016" means the
441 amount of revenue that the commissioner determines, in accordance
442 with federal law, that a hospital received for the provision of outpatient
443 hospital services during the 2016 federal fiscal year;

444 (iii) "Audited net revenue for fiscal year 2016" means net revenue, as
445 reported in each hospital's audited financial statements, less the amount
446 of revenue that the commissioner determines, in accordance with
447 federal law, that a hospital received from other than the provision of
448 inpatient hospital services and outpatient hospital services. The total
449 audited net revenue for fiscal year 2016 shall be the sum of all audited
450 net revenue for the 2016 fiscal year for all hospitals required to pay tax
451 on inpatient hospital services and outpatient hospital services;

452 (iv) "Audited net inpatient revenue for the applicable federal fiscal
453 year" means the amount of revenue that a hospital reports to the
454 commissioner that such hospital received for the provision of inpatient

455 hospital services during the applicable federal fiscal year, subject to the
456 provisions of subdivision (4) of subsection (a) of this section;

457 (v) "Audited net outpatient revenue for the applicable federal fiscal
458 year" means the amount of revenue that a hospital reports to the
459 commissioner that such hospital received for the provision of outpatient
460 hospital services during the applicable federal fiscal year, subject to the
461 provisions of subdivision (4) of subsection (a) of this section;

462 (vi) "Audited net revenue for the applicable federal fiscal year" means
463 net revenue, as reported in each hospital's audited financial statements,
464 less the amount of revenue a hospital received from other than the
465 provision of inpatient hospital services and outpatient hospital services.
466 The total audited net revenue shall be the sum of all audited net revenue
467 for the applicable federal fiscal year for all hospitals required to pay tax
468 on inpatient hospital services and outpatient hospital services; and

469 (vii) "Applicable federal fiscal year" means (I) for state fiscal years
470 commencing on or after July 1, 2026, and prior to July 1, 2029, federal
471 fiscal year 2024, (II) for state fiscal years commencing on or after July 1,
472 2029, and prior to July 1, 2033, federal fiscal year 2027, and (III) for the
473 periods commencing with the state fiscal year commencing July 1, 2033,
474 and quadrennially thereafter, the federal fiscal year that concluded in
475 the calendar year that is two years prior to the start of such quadrennial
476 period.

477 (B) For purposes of this section, if a hospital's audited financial
478 statements for the applicable federal fiscal year does not report revenue
479 for the entire fiscal year, such hospital's audited net revenue for the
480 applicable federal fiscal year shall be calculated by projecting the
481 amount of revenue such hospital would have received for the entire
482 fiscal year based proportionally on the audited net revenue reported on
483 its audited financial statements.

484 (C) Audited net inpatient revenue and audited net outpatient
485 revenue shall be based on information provided by each hospital

486 required to pay tax on inpatient hospital services or outpatient hospital
487 services.

488 (b) (1) The Commissioner of Social Services shall seek approval from
489 the Centers for Medicare and Medicaid Services to exempt from the net
490 revenue tax imposed under subsection (a) of this section the following:
491 (A) Specialty hospitals; (B) children's general hospitals; [and] (C)
492 hospitals operated exclusively by the state other than a short-term
493 general hospital operated by the state as a receiver pursuant to chapter
494 920; and (D) hospitals owned, in whole or in part, by a subsidiary or
495 joint venture established by The University of Connecticut Health
496 Center Joint Venture Initiative, as defined in section 10a-109. Any
497 hospital for which the Centers for Medicare and Medicaid Services
498 grants an exemption shall be exempt from the net revenue tax imposed
499 under subsection (a) of this section. Any hospital for which the Centers
500 for Medicare and Medicaid Services denies an exemption shall be
501 deemed to be a hospital for purposes of this section and shall be
502 required to pay the net revenue tax imposed under subsection (a) of this
503 section on inpatient hospital services and outpatient hospital services at
504 the same effective rates set forth in subsection (a) of this section.

505 [(2) The Commissioner of Social Services shall seek approval from the
506 Centers for Medicare and Medicaid Services to remove the exemption
507 approved pursuant to subdivision (1) of this subsection for children's
508 general hospitals from the net revenue tax imposed under subsection (a)
509 of this section. If the Centers for Medicare and Medicaid Services
510 approves the removal of such exemption, any children's general
511 hospitals that were exempt prior to July 1, 2026, from the net revenue
512 tax imposed under subsection (a) of this section shall be required, on
513 and after July 1, 2026, to pay such tax on inpatient hospital services and
514 outpatient hospital services at the same effective rates set forth in
515 subsection (a) of this section.]

516 [(3)] (2) Each hospital shall provide to the Commissioner of Social
517 Services, upon request, such information as said commissioner may

518 require to make any computations necessary to seek approval for
519 exemption under this subsection.

520 [(4)] (3) As used in this subsection, (A) "specialty hospital" means a
521 health care facility, as defined in section 19a-630, other than a facility
522 licensed by the Department of Public Health as a short-term general
523 hospital or a short-term children's hospital. "Specialty hospital"
524 includes, but is not limited to, a psychiatric hospital or a chronic disease
525 hospital, and (B) "children's general hospital" means a health care
526 facility, as defined in section 19a-630, that is licensed by the Department
527 of Public Health as a short-term children's hospital. "Children's general
528 hospital" does not include a specialty hospital.

529 Sec. 4. Subsection (b) of section 12-263s of the 2026 supplement to the
530 general statutes, as amended by section 361 of public act 25-168, is
531 repealed and the following is substituted in lieu thereof (*Effective July 1,*
532 *2026, and applicable to calendar quarters commencing on or after July 1, 2026*):

533 (b) Each taxpayer doing business in this state shall, on or before the
534 last day of January, April, July and October of each year, render to the
535 commissioner a quarterly return, on forms prescribed or furnished by
536 the commissioner and signed by one of the taxpayer's principal officers,
537 stating specifically the name and location of such taxpayer, the amount
538 of its net patient revenue [, nursing facility service revenue, intermediate
539 care facility service revenue] or resident days during the calendar
540 quarter ending on the last day of the preceding month and such other
541 information as the commissioner deems necessary for the proper
542 administration of this section and the state's Medicaid program. The
543 taxes and fees imposed under section 12-263q, as amended by this act,
544 or 12-263r shall be due and payable on the due date of such return. Each
545 taxpayer shall be required to file such return electronically with the
546 department and to make such payment by electronic funds transfer in
547 the manner provided by chapter 228g, irrespective of whether the
548 taxpayer would have otherwise been required to file such return
549 electronically or to make such payment by electronic funds transfer

550 under the provisions of said chapter.

551 Sec. 5. (NEW) (*Effective from passage and applicable to taxable years*
552 *commencing on or after January 1, 2026*) (a) For purposes of this section:

553 (1) "Research and development expenses" means research or
554 experimental expenditures deductible under Section 174 of the Internal
555 Revenue Code of 1986, as in effect on May 28, 1993, determined without
556 regard to Section 280C(c) of said code or to any elections made by a
557 taxpayer to amortize such expenditures that were otherwise deductible
558 on its federal income tax return; and basic research payments, as defined
559 in Section 41 of said code; that (A) are paid or incurred for such research
560 and experimentation and basic research conducted in the state, and (B)
561 are not funded by a grant, contract or governmental entity or a person
562 other than the taxpayer;

563 (2) "Commissioner" means the Commissioner of Economic and
564 Community Development;

565 (3) "Qualified small business" means a partnership or an S
566 corporation, as both terms are defined in section 12-699 of the general
567 statutes, that (A) has gross income for the previous taxable year that
568 does not exceed seventy million dollars, and (B) has not, in the
569 determination of the commissioner, exceeded such gross income
570 threshold through transactions with a related person, as defined in
571 section 12-217w of the general statutes; and

572 (4) "Biotechnology business" means a qualified small business
573 engaged in the business of applying technologies, such as recombinant
574 DNA techniques, biochemistry, molecular and cellular biology, genetics
575 and genetic engineering, biological cell fusion techniques, and new
576 bioprocesses, using living organisms, or parts of organisms, to produce
577 or modify products, to improve plants or animals, to develop
578 microorganisms for specific uses, to identify targets for small molecule
579 pharmaceutical development, or to transform biological systems into
580 useful processes and products.

581 (b) (1) The Department of Economic and Community Development
582 shall administer a system of tax credit vouchers, within available
583 appropriations, to allow qualified small businesses to earn and utilize
584 credits for research and development expenses.

585 (2) For taxable years commencing on or after January 1, 2026, there
586 shall be allowed a credit for qualified small businesses against the tax
587 imposed under chapter 229 of the general statutes, other than the
588 liability imposed by section 12-707 of the general statutes. Such credit
589 shall be equal to six per cent of the research and development expenses
590 paid or incurred by a qualified small business for a taxable year and
591 shall only be allowed to the extent a qualified small business has applied
592 for and received a tax credit voucher pursuant to this section.

593 (c) (1) Any qualified small business may apply to the commissioner,
594 in a form and manner and at a time prescribed by the commissioner, to
595 reserve an allocation for a credit based on the amount of research and
596 development expenses such business intends to pay or incur for a
597 taxable year. The application shall contain such information as the
598 commissioner deems necessary to administer the provisions of this
599 section.

600 (2) If the commissioner determines that such business is likely to pay
601 or incur research and development expenses for a taxable year, the
602 commissioner may issue a notice to such business, reserving a credit
603 under this section based on the amount the business intends to pay or
604 incur. In determining whether to issue such a notice, the commissioner
605 shall prioritize qualified small businesses that, in the commissioner's
606 opinion, exhibit a likelihood for growth in the state or will best
607 contribute to the economic ecosystem of the state.

608 (3) No qualified small business may reserve more than one million
609 five hundred thousand dollars of credits under this section for any
610 taxable year. The aggregate amount of credits that may be reserved
611 under this section shall not exceed twenty-five million dollars for any

612 taxable year.

613 (d) (1) Not later than ninety days after the end of a taxable year, any
614 qualified small business that received a notice under subsection (c) of
615 this section shall submit verification, in a form and manner prescribed
616 by the commissioner, of the research and development expenses
617 actually paid or incurred by such business for such taxable year. If the
618 commissioner determines, after reviewing such verification, that the
619 qualified small business paid or incurred such expenses for the taxable
620 year, the commissioner shall issue a tax credit voucher to such business
621 in an amount equal to six per cent of such expenses, provided such
622 amount shall not exceed the amount reserved for such business under
623 subsection (c) of this section.

624 (2) The commissioner shall notify the Commissioner of Revenue
625 Services and the Secretary of the Office of Policy and Management of
626 each tax credit voucher issued under subdivision (1) of this subsection.

627 (e) If the qualified small business is an S corporation or an entity
628 treated as a partnership for federal income tax purposes, the credit may
629 be claimed by the shareholders or partners of such business. If the
630 qualified small business is a single member liability company that is
631 disregarded as an entity separate from its owner, the credit may be
632 claimed by such business's owner, provided such owner is subject to the
633 tax imposed under chapter 229 of the general statutes.

634 (f) To the extent the credit exceeds a taxpayer's liability under chapter
635 229 of the general statutes, the taxpayer may apply to the Commissioner
636 of Revenue Services to exchange the credit, at the same time the
637 taxpayer files the return upon which such credit is claimed, for a credit
638 refund equal to ninety per cent of the excess if the credit was earned by
639 a biotechnology business and sixty-five per cent of the excess if the
640 credit was earned by a qualified small business other than a
641 biotechnology business.

642 (g) The credit allowed under this section shall be claimed before any

643 other credit allowable against the tax imposed under chapter 229 of the
644 general statutes.

645 (h) The commissioner may adopt regulations, in accordance with the
646 provisions of chapter 54 of the general statutes, to carry out the
647 provisions of this section.

648 Sec. 6. (*Effective July 1, 2026*) (a) For purposes of this section:

649 (1) "Eligible resident" means a person who filed a 2024 resident
650 income tax return;

651 (2) "Connecticut adjusted gross income" has the same meaning as
652 provided in section 12-701 of the general statutes, as amended by this
653 act;

654 (3) "2024 resident income tax return" means a personal income tax
655 return filed pursuant to chapter 229 of the general statutes as a resident
656 of this state with the commissioner for the taxable year ending
657 December 31, 2024;

658 (4) "2024 sales tax" means the sales and use taxes paid under chapter
659 219 of the general statutes for the calendar year ending December 31,
660 2024;

661 (5) "2024 federal income tax return" means the return filed under the
662 federal income tax with the Internal Revenue Service for the taxable year
663 ending December 31, 2024;

664 (6) "Resident of this state" has the same meaning as provided in
665 section 12-701 of the general statutes, as amended by this act; and

666 (7) "Commissioner" means the Commissioner of Revenue Services.

667 (b) Each eligible resident who filed a 2024 resident income tax return
668 on or before December 31, 2025, shall be entitled to a rebate of 2024 sales
669 tax in accordance with the following schedule:

670 (1) For any eligible resident who filed a 2024 federal income tax return
671 as an unmarried individual or as a married individual filing separately
672 and whose Connecticut adjusted gross income properly reported on
673 such resident's 2024 resident income tax return did not exceed two
674 hundred thousand dollars, two hundred dollars;

675 (2) For any eligible resident who filed a 2024 federal income tax return
676 as a head of household and whose Connecticut adjusted gross income
677 properly reported on such resident's 2024 resident income tax return did
678 not exceed three hundred twenty thousand dollars, three hundred
679 twenty dollars;

680 (3) For any eligible resident who filed a 2024 federal income tax return
681 as a surviving spouse and whose Connecticut adjusted gross income
682 properly reported on such resident's 2024 resident income tax return did
683 not exceed four hundred thousand dollars, four hundred dollars; and

684 (4) For any two eligible residents who filed a 2024 federal income tax
685 return as married individuals filing jointly and whose Connecticut
686 adjusted gross income properly reported on such resident's 2024
687 resident income tax return did not exceed four hundred thousand
688 dollars, four hundred dollars jointly for such two eligible residents.

689 (c) Amounts rebated pursuant to this section shall be subject to the
690 provisions for set-off as provided in sections 12-739 and 12-742 of the
691 general statutes.

692 (d) To the extent permissible under federal law, payments made
693 under this section shall not be considered income or an asset for the
694 purposes of determining eligibility for any state-administered public
695 assistance program, including any HUSKY program described in
696 section 17b-290 of the general statutes.

697 (e) No person who filed a return under chapter 229 of the general
698 statutes for the taxable year commencing January 1, 2024, as a part-year
699 resident of this state, as defined in section 12-701 of the general statutes,

700 as amended by this act, is entitled to the rebate under this section.

701 (f) The commissioner shall calculate the amount of the rebates under
702 this section and issue such rebates to eligible residents not later than
703 October 31, 2026.

704 Sec. 7. Subparagraph (B) of subdivision (20) of subsection (a) of
705 section 12-701 of the 2026 supplement to the general statutes is repealed
706 and the following is substituted in lieu thereof (*Effective July 1, 2026, and*
707 *applicable to taxable years commencing on or after January 1, 2026*):

708 (B) There shall be subtracted therefrom:

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

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

714 (iii) To the extent properly includable in gross income for federal
715 income tax purposes, the amount of any refund or credit for
716 overpayment of income taxes imposed by this state, or any other state
717 of the United States or a political subdivision thereof, or the District of
718 Columbia;

719 (iv) To the extent properly includable in gross income for federal
720 income tax purposes and not otherwise subtracted from federal
721 adjusted gross income pursuant to clause (x) of this subparagraph in
722 computing Connecticut adjusted gross income, any tier 1 railroad
723 retirement benefits;

724 (v) To the extent any additional allowance for depreciation under
725 Section 168(k) of the Internal Revenue Code for property placed in
726 service after September 27, 2017, was added to federal adjusted gross
727 income pursuant to subparagraph (A)(ix) of this subdivision in
728 computing Connecticut adjusted gross income, twenty-five per cent of

729 such additional allowance for depreciation in each of the four
730 succeeding taxable years;

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

736 (vii) To the extent properly includable in determining the net gain or
737 loss from the sale or other disposition of capital assets for federal income
738 tax purposes, any gain from the sale or exchange of obligations issued
739 by or on behalf of the state of Connecticut, any political subdivision
740 thereof, or public instrumentality, state or local authority, district or
741 similar public entity created under the laws of the state of Connecticut,
742 in the income year such gain was recognized;

743 (viii) Any interest on indebtedness incurred or continued to purchase
744 or carry obligations or securities the interest on which is subject to tax
745 under this chapter but exempt from federal income tax, to the extent that
746 such interest on indebtedness is not deductible in determining federal
747 adjusted gross income and is attributable to a trade or business carried
748 on by such individual;

749 (ix) Ordinary and necessary expenses paid or incurred during the
750 taxable year for the production or collection of income which is subject
751 to taxation under this chapter but exempt from federal income tax, or
752 the management, conservation or maintenance of property held for the
753 production of such income, and the amortizable bond premium for the
754 taxable year on any bond the interest on which is subject to tax under
755 this chapter but exempt from federal income tax, to the extent that such
756 expenses and premiums are not deductible in determining federal
757 adjusted gross income and are attributable to a trade or business carried
758 on by such individual;

759 (x) (I) For taxable years commencing prior to January 1, 2019, for a

760 person who files a return under the federal income tax as an unmarried
761 individual whose federal adjusted gross income for such taxable year is
762 less than fifty thousand dollars, or as a married individual filing
763 separately whose federal adjusted gross income for such taxable year is
764 less than fifty thousand dollars, or for a husband and wife who file a
765 return under the federal income tax as married individuals filing jointly
766 whose federal adjusted gross income for such taxable year is less than
767 sixty thousand dollars or a person who files a return under the federal
768 income tax as a head of household whose federal adjusted gross income
769 for such taxable year is less than sixty thousand dollars, an amount
770 equal to the Social Security benefits includable for federal income tax
771 purposes;

772 (II) For taxable years commencing prior to January 1, 2019, for a
773 person who files a return under the federal income tax as an unmarried
774 individual whose federal adjusted gross income for such taxable year is
775 fifty thousand dollars or more, or as a married individual filing
776 separately whose federal adjusted gross income for such taxable year is
777 fifty thousand dollars or more, or for a husband and wife who file a
778 return under the federal income tax as married individuals filing jointly
779 whose federal adjusted gross income from such taxable year is sixty
780 thousand dollars or more or for a person who files a return under the
781 federal income tax as a head of household whose federal adjusted gross
782 income for such taxable year is sixty thousand dollars or more, an
783 amount equal to the difference between the amount of Social Security
784 benefits includable for federal income tax purposes and the lesser of
785 twenty-five per cent of the Social Security benefits received during the
786 taxable year, or twenty-five per cent of the excess described in Section
787 86(b)(1) of the Internal Revenue Code;

788 (III) For the taxable year commencing January 1, 2019, and each
789 taxable year thereafter, for a person who files a return under the federal
790 income tax as an unmarried individual whose federal adjusted gross
791 income for such taxable year is less than seventy-five thousand dollars,
792 or as a married individual filing separately whose federal adjusted gross

793 income for such taxable year is less than seventy-five thousand dollars,
794 or for a husband and wife who file a return under the federal income tax
795 as married individuals filing jointly whose federal adjusted gross
796 income for such taxable year is less than one hundred thousand dollars
797 or a person who files a return under the federal income tax as a head of
798 household whose federal adjusted gross income for such taxable year is
799 less than one hundred thousand dollars, an amount equal to the Social
800 Security benefits includable for federal income tax purposes; and

801 (IV) For the taxable year commencing January 1, 2019, and each
802 taxable year thereafter, for a person who files a return under the federal
803 income tax as an unmarried individual whose federal adjusted gross
804 income for such taxable year is seventy-five thousand dollars or more,
805 or as a married individual filing separately whose federal adjusted gross
806 income for such taxable year is seventy-five thousand dollars or more,
807 or for a husband and wife who file a return under the federal income tax
808 as married individuals filing jointly whose federal adjusted gross
809 income from such taxable year is one hundred thousand dollars or more
810 or for a person who files a return under the federal income tax as a head
811 of household whose federal adjusted gross income for such taxable year
812 is one hundred thousand dollars or more, an amount equal to the
813 difference between the amount of Social Security benefits includable for
814 federal income tax purposes and the lesser of twenty-five per cent of the
815 Social Security benefits received during the taxable year, or twenty-five
816 per cent of the excess described in Section 86(b)(1) of the Internal
817 Revenue Code;

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

821 (xii) To the extent properly includable in the gross income for federal
822 income tax purposes of a designated beneficiary, any distribution to
823 such beneficiary from any qualified state tuition program, as defined in
824 Section 529(b) of the Internal Revenue Code, established and

825 maintained by this state or any official, agency or instrumentality of the
826 state;

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

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

835 (xv) To the extent properly includable in the gross income for federal
836 income tax purposes of a designated beneficiary, as defined in section
837 3-123aa, interest, dividends or capital gains earned on contributions to
838 accounts established for the designated beneficiary pursuant to the
839 Connecticut Homecare Option Program for the Elderly established by
840 sections 3-123aa to 3-123ff, inclusive;

841 (xvi) To the extent properly includable in gross income for federal
842 income tax purposes, any income received from the United States
843 government as retirement pay for a retired member of (I) the Armed
844 Forces of the United States, as defined in Section 101 of Title 10 of the
845 United States Code, or (II) the National Guard, as defined in Section 101
846 of Title 10 of the United States Code;

847 (xvii) To the extent properly includable in gross income for federal
848 income tax purposes for the taxable year, any income from the discharge
849 of indebtedness in connection with any reacquisition, after December
850 31, 2008, and before January 1, 2011, of an applicable debt instrument or
851 instruments, as those terms are defined in Section 108 of the Internal
852 Revenue Code, as amended by Section 1231 of the American Recovery
853 and Reinvestment Act of 2009, to the extent any such income was added
854 to federal adjusted gross income pursuant to subparagraph (A)(xi) of
855 this subdivision in computing Connecticut adjusted gross income for a

856 preceding taxable year;

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

861 (xix) To the extent properly includable in gross income for federal
862 income tax purposes, (I) for the taxable year commencing January 1,
863 2015, ten per cent of the income received from the state teachers'
864 retirement system, (II) for the taxable years commencing January 1,
865 2016, to January 1, 2020, inclusive, twenty-five per cent of the income
866 received from the state teachers' retirement system, and (III) for the
867 taxable year commencing January 1, 2021, and each taxable year
868 thereafter, fifty per cent of the income received from the state teachers'
869 retirement system or, for a taxpayer whose federal adjusted gross
870 income does not exceed the applicable threshold under clause (xx) of
871 this subparagraph, the percentage pursuant to said clause of the income
872 received from the state teachers' retirement system, whichever
873 deduction is greater;

874 (xx) To the extent properly includable in gross income for federal
875 income tax purposes, except for retirement benefits under clause (iv) of
876 this subparagraph and retirement pay under clause (xvi) of this
877 subparagraph, for a person who files a return under the federal income
878 tax as an unmarried individual whose federal adjusted gross income for
879 such taxable year is less than seventy-five thousand dollars, or as a
880 married individual filing separately whose federal adjusted gross
881 income for such taxable year is less than seventy-five thousand dollars,
882 or as a head of household whose federal adjusted gross income for such
883 taxable year is less than seventy-five thousand dollars, or for a husband
884 and wife who file a return under the federal income tax as married
885 individuals filing jointly whose federal adjusted gross income for such
886 taxable year is less than one hundred thousand dollars, (I) for the taxable
887 year commencing January 1, 2019, fourteen per cent of any pension or

888 annuity income, (II) for the taxable year commencing January 1, 2020,
889 twenty-eight per cent of any pension or annuity income, (III) for the
890 taxable year commencing January 1, 2021, forty-two per cent of any
891 pension or annuity income, and (IV) for the taxable years commencing
892 January 1, 2022, and January 1, 2023, one hundred per cent of any
893 pension or annuity income;

894 (xxi) To the extent properly includable in gross income for federal
895 income tax purposes, except for retirement benefits under clause (iv) of
896 this subparagraph and retirement pay under clause (xvi) of this
897 subparagraph, any pension or annuity income for the taxable year
898 commencing on or after January 1, 2024, and each taxable year
899 thereafter, in accordance with the following schedule, for a person who
900 files a return under the federal income tax as an unmarried individual
901 whose federal adjusted gross income for such taxable year is less than
902 one hundred thousand dollars, or as a married individual filing
903 separately whose federal adjusted gross income for such taxable year is
904 less than one hundred thousand dollars, or as a head of household
905 whose federal adjusted gross income for such taxable year is less than
906 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%

907 (xxii) To the extent properly includable in gross income for federal

908 income tax purposes, except for retirement benefits under clause (iv) of
 909 this subparagraph and retirement pay under clause (xvi) of this
 910 subparagraph, any pension or annuity income for the taxable year
 911 commencing on or after January 1, 2024, and each taxable year
 912 thereafter, in accordance with the following schedule for married
 913 individuals who file a return under the federal income tax as married
 914 individuals filing jointly whose federal adjusted gross income for such
 915 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%

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

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

926 (xxv) To the extent properly includable in gross income for federal
 927 income tax purposes, the amount calculated pursuant to subsection (b)

928 of section 12-704g for income received by a general partner of a venture
929 capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to
930 time;

931 (xxvi) To the extent any portion of a deduction under Section 179 of
932 the Internal Revenue Code was added to federal adjusted gross income
933 pursuant to subparagraph (A)(xiv) of this subdivision in computing
934 Connecticut adjusted gross income, twenty-five per cent of such
935 disallowed portion of the deduction in each of the four succeeding
936 taxable years;

937 (xxvii) To the extent properly includable in gross income for federal
938 income tax purposes, for a person who files a return under the federal
939 income tax as an unmarried individual whose federal adjusted gross
940 income for such taxable year is less than seventy-five thousand dollars,
941 or as a married individual filing separately whose federal adjusted gross
942 income for such taxable year is less than seventy-five thousand dollars,
943 or as a head of household whose federal adjusted gross income for such
944 taxable year is less than seventy-five thousand dollars, or for a husband
945 and wife who file a return under the federal income tax as married
946 individuals filing jointly whose federal adjusted gross income for such
947 taxable year is less than one hundred thousand dollars, for the taxable
948 year commencing January 1, 2023, twenty-five per cent of any
949 distribution from an individual retirement account other than a Roth
950 individual retirement account;

951 (xxviii) To the extent properly includable in gross income for federal
952 income tax purposes, for a person who files a return under the federal
953 income tax as an unmarried individual whose federal adjusted gross
954 income for such taxable year is less than one hundred thousand dollars,
955 or as a married individual filing separately whose federal adjusted gross
956 income for such taxable year is less than one hundred thousand dollars,
957 or as a head of household whose federal adjusted gross income for such
958 taxable year is less than one hundred thousand dollars, (I) for the taxable
959 year commencing January 1, 2024, fifty per cent of any distribution from

960 an individual retirement account other than a Roth individual
 961 retirement account, (II) for the taxable year commencing January 1, 2025,
 962 seventy-five per cent of any distribution from an individual retirement
 963 account other than a Roth individual retirement account, and (III) for
 964 the taxable year commencing January 1, 2026, and each taxable year
 965 thereafter, any distribution from an individual retirement account other
 966 than a Roth individual retirement account. The subtraction under this
 967 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%

968 (xxix) To the extent properly includable in gross income for federal
 969 income tax purposes, for married individuals who file a return under
 970 the federal income tax as married individuals filing jointly whose
 971 federal adjusted gross income for such taxable year is less than one
 972 hundred fifty thousand dollars, (I) for the taxable year commencing
 973 January 1, 2024, fifty per cent of any distribution from an individual
 974 retirement account other than a Roth individual retirement account, (II)
 975 for the taxable year commencing January 1, 2025, seventy-five per cent
 976 of any distribution from an individual retirement account other than a
 977 Roth individual retirement account, and (III) for the taxable year
 978 commencing January 1, 2026, and each taxable year thereafter, any
 979 distribution from an individual retirement account other than a Roth
 980 individual retirement account. The subtraction under this clause shall

981 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%

982 (xxx) To the extent properly includable in gross income for federal
 983 income tax purposes, for the taxable year commencing January 1, 2022,
 984 the amount or amounts paid or otherwise credited to any eligible
 985 resident of this state under (I) the 2020 Earned Income Tax Credit
 986 enhancement program from funding allocated to the state through the
 987 Coronavirus Relief Fund established under the Coronavirus Aid, Relief,
 988 and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned
 989 Income Tax Credit enhancement program from funding allocated to the
 990 state pursuant to Section 9901 of Subtitle M of Title IX of the American
 991 Rescue Plan Act of 2021, P.L. 117-2;

992 (xxxii) For the taxable year commencing January 1, 2023, and each
 993 taxable year thereafter, for a taxpayer licensed under the provisions of
 994 chapter 420f or 420h, the amount of ordinary and necessary expenses
 995 that would be eligible to be claimed as a deduction for federal income
 996 tax purposes under Section 162(a) of the Internal Revenue Code but that
 997 are disallowed under Section 280E of the Internal Revenue Code
 998 because marijuana is a controlled substance under the federal
 999 Controlled Substance Act;

1000 (xxxiii) To the extent properly includable in gross income for federal

1001 income tax purposes, for the taxable year commencing on or after
1002 January 1, 2025, and each taxable year thereafter, any common stock
1003 received by the taxpayer during the taxable year under a share plan, as
1004 defined in section 12-217ss;

1005 (xxxiii) To the extent properly includable in gross income for federal
1006 income tax purposes, the amount of any student loan reimbursement
1007 payment received by a taxpayer pursuant to section 10a-19m;

1008 (xxxiv) Contributions to an ABLE account established pursuant to
1009 sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for
1010 each individual taxpayer or ten thousand dollars for taxpayers filing a
1011 joint return;

1012 (xxxv) To the extent properly includable in gross income for federal
1013 income tax purposes, the amount of any payment received pursuant to
1014 subsection (c) of section 3-122a;

1015 (xxxvi) For an account holder, as defined in section 12-724b, who files
1016 a return under the federal income tax as an unmarried individual, a
1017 married individual filing separately or a head of household, whose
1018 federal adjusted gross income for the taxable year is less than one
1019 hundred twenty-five thousand dollars or who files a return under the
1020 federal income tax as married individuals filing jointly whose federal
1021 adjusted gross income for the taxable year is less than two hundred fifty
1022 thousand dollars:

1023 (I) To the extent not deductible in determining federal adjusted gross
1024 income, for the taxable year commencing January 1, 2027, an amount
1025 equal to the contributions deposited during the taxable years
1026 commencing January 1, 2026, and January 1, 2027, in a first-time
1027 homebuyer savings account established pursuant to subsection (c) of
1028 section 12-724b, less any amounts withdrawn during said taxable years
1029 by the account holder from such account under subparagraph (D) of
1030 subdivision (2) of subsection (f) of section 12-724b. The amount claimed
1031 under this subclause shall not exceed two thousand five hundred

1032 dollars for each such taxable year for an unmarried individual, a
1033 married individual filing separately or a head of household and five
1034 thousand dollars for each such taxable year for married individuals
1035 filing jointly;

1036 (II) To the extent not deductible in determining federal adjusted gross
1037 income, for the taxable year commencing January 1, 2028, and each
1038 taxable year thereafter, an amount equal to the contributions deposited
1039 during the taxable year in a first-time homebuyer savings account
1040 established pursuant to subsection (c) of section 12-724b, less any
1041 amounts withdrawn during the taxable year by the account holder from
1042 such account pursuant to subparagraph (D) of subdivision (2) of
1043 subsection (f) of section 12-724b. The amount allowed to be claimed
1044 under this subclause for the taxable year shall not exceed two thousand
1045 five hundred dollars for an unmarried individual, a married individual
1046 filing separately or a head of household and five thousand dollars for
1047 married individuals filing jointly; and

1048 (III) To the extent properly includable in gross income for federal
1049 income tax purposes, for the taxable year commencing January 1, 2027,
1050 and each taxable year thereafter, an amount equal to the sum of all
1051 interest accrued on a first-time homebuyer savings account, established
1052 pursuant to subsection (c) of section 12-724b, during the taxable year;
1053 [and]

1054 (xxxvii) To the extent properly includable in gross income for federal
1055 income tax purposes, for the taxable year commencing January 1, 2027,
1056 and each taxable year thereafter, for an account holder who is a qualified
1057 beneficiary of a first-time homebuyer savings account, as those terms
1058 are defined in section 12-724b, and who files a return under the federal
1059 income tax as an unmarried individual, a married individual filing
1060 separately or a head of household, whose federal adjusted gross income
1061 for the taxable year is less than one hundred twenty-five thousand
1062 dollars or who files a return under the federal income tax as married
1063 individuals filing jointly whose federal adjusted gross income for the

1064 taxable year is less than two hundred fifty thousand dollars, an amount
1065 equal to any withdrawal from such account that is used to pay or
1066 reimburse such qualified beneficiary for eligible costs, as defined in
1067 section 12-724b, incurred by the qualified beneficiary; and

1068 (xxxviii) To the extent properly includable in gross income for federal
1069 income tax purposes, the amounts paid or otherwise credited to an
1070 eligible resident pursuant to section 6 of this act.

1071 Sec. 8. Subsection (a) of section 4-30a of the 2026 supplement to the
1072 general statutes is repealed and the following is substituted in lieu
1073 thereof (*Effective from passage*):

1074 (a) (1) (A) For the fiscal years commencing on or after July 1, 2017,
1075 and ending on or before June 30, 2024, all revenue in excess of three
1076 billion one hundred fifty million dollars received by the state each fiscal
1077 year from estimated and final payments of the personal income tax
1078 imposed under chapter 229 and the affected business entity tax imposed
1079 under section 12-699 shall be transferred by the Treasurer to a special
1080 fund to be known as the Budget Reserve Fund. On and after July 1, 2018,
1081 the threshold amount shall be adjusted annually by the compound
1082 annual growth rate of personal income in the state over the preceding
1083 five calendar years, using data reported by the United States Bureau of
1084 Economic Analysis.

1085 (B) For the fiscal year ending June 30, 2025, the threshold amount
1086 prescribed by subparagraph (A) of this subdivision shall be four billion
1087 seventy-nine million three hundred thousand dollars.

1088 (C) For the fiscal year ending June 30, 2026, the threshold amount
1089 prescribed by subparagraph (A) of this subdivision shall be [four billion
1090 seven hundred twenty-eight million six hundred thousand] five billion
1091 two hundred twenty-eight million six hundred thousand dollars.

1092 (D) For the fiscal year ending June 30, 2027, the threshold amount
1093 prescribed by subparagraph (A) of this subdivision shall be five billion

1094 nine million one hundred thousand dollars. On and after July 1, [2026]
1095 2027, the threshold amount shall be adjusted annually by the compound
1096 annual growth rate of personal income in the state over the preceding
1097 five calendar years, using data reported by the United States Bureau of
1098 Economic Analysis.

1099 (2) The General Assembly may amend the threshold amount
1100 determined under subdivision (1) of this subsection, by vote of at least
1101 three-fifths of the members of each house of the General Assembly, due
1102 to changes in state or federal tax law or policy or significant adjustments
1103 to economic growth or tax collections.

1104 Sec. 9. Section 42 of public act 25-168 is repealed and the following is
1105 substituted in lieu thereof (*Effective from passage*):

1106 Not later than June 30, 2026, the Comptroller shall transfer [two
1107 hundred forty-four million] seven hundred fourteen million dollars of
1108 the resources of the General Fund for the fiscal year ending June 30,
1109 2026, to be accounted for as revenue of the General Fund for the fiscal
1110 year ending June 30, 2027.

1111 Sec. 10. Section 43 of public act 25-168 is repealed and the following
1112 is substituted in lieu thereof (*Effective from passage*):

1113 The following amounts shall be transferred from the resources of the
1114 General Fund to the Municipal Revenue Sharing Fund: (1) For the fiscal
1115 year ending June 30, 2026, [one hundred one million] eighty-seven
1116 million nine hundred thousand dollars, and (2) for the fiscal year ending
1117 June 30, 2027, [ninety million] sixty-eight million six hundred thousand
1118 dollars.

1119 Sec. 11. Section 472 of public act 25-168, as amended by section 203 of
1120 public act 25-174, is repealed and the following is substituted in lieu
1121 thereof (*Effective July 1, 2026*):

1122 The Secretary of the Office of Policy and Management shall grant

1123 additional municipal aid, from Other Expenses, as follows: [(1)] To the
1124 city of New Haven, \$500,000 for the fiscal year ending June 30, 2026. [;
1125 and (2) to the towns of Ledyard and Montville, \$800,000 to each town
1126 for the fiscal year ending June 30, 2027.]

1127 Sec. 12. (*Effective July 1, 2026*) Notwithstanding the provisions of
1128 section 25 of public act 25-168, for the fiscal year ending June 30, 2027,
1129 the grants paid to the towns of Ledyard and Montville from the moneys
1130 available in the Mashantucket Pequot and Mohegan Fund established
1131 pursuant to section 3-55i of the general statutes shall be as follows: To
1132 the town of Ledyard, \$2,191,000; and to the town of Montville,
1133 \$2,246,162.

1134 Sec. 13. Subsections (a) to (c), inclusive, of section 20-432 of the
1135 general statutes are repealed and the following is substituted in lieu
1136 thereof (*Effective July 1, 2026*):

1137 (a) The commissioner shall establish and maintain the Home
1138 Improvement Guaranty Fund.

1139 (b) Each salesman who receives a certificate pursuant to this chapter
1140 shall pay a fee of forty dollars annually. Each contractor (1) who receives
1141 a certificate pursuant to this chapter, or (2) receives a certificate pursuant
1142 to chapter 399a and has opted to engage in home improvement pursuant
1143 to subsection (f) of section 20-417b shall pay a fee of one hundred dollars
1144 annually to the guaranty fund. Such fee shall be payable with the fee for
1145 an application for a certificate or renewal thereof. The annual fee for a
1146 contractor who receives a certificate of registration as a home
1147 improvement contractor acting solely as the contractor of record for a
1148 corporation shall be waived, provided the contractor of record shall use
1149 such registration for the sole purpose of directing, supervising or
1150 performing home improvements for such corporation.

1151 (c) Payments received under subsection (b) of this section shall be
1152 credited to the guaranty fund until the balance in such fund equals
1153 [seven hundred fifty thousand] one million dollars. Annually, if the

1154 balance in the fund exceeds [seven hundred fifty thousand dollars] said
1155 amount, the first four hundred thousand dollars of the excess shall be
1156 deposited into the consumer protection enforcement account
1157 established in section 21a-8a. Any excess thereafter shall be deposited in
1158 the General Fund. Any money in the guaranty fund may be invested or
1159 reinvested in the same manner as funds of the state employees
1160 retirement system, and the interest arising from such investments shall
1161 be credited to the guaranty fund.

1162 Sec. 14. Section 20-12j of the general statutes is repealed and the
1163 following is substituted in lieu thereof (*Effective October 1, 2026*):

1164 (a) As used in this section:

1165 (1) "Contact hour" means a minimum of fifty minutes of continuing
1166 education and activities; and

1167 (2) "Registration period" means the one-year period for which a
1168 license has been renewed in accordance with section 19a-88, as amended
1169 by this act, and is current and valid.

1170 (b) Each person holding a license as a physician assistant shall,
1171 annually, during the month of such person's birth, renew such license
1172 with the Department of Public Health [, upon payment of a fee of one
1173 hundred fifty-five dollars,] on a form to be provided by the department
1174 for such purpose, giving such person's name in full, such person's
1175 residence and business address and such other information as the
1176 department requests. No such license shall be renewed unless the
1177 department is satisfied that the practitioner (1) has met the mandatory
1178 continuing medical education requirements of the National
1179 Commission on Certification of Physician Assistants or a successor
1180 organization for the certification or recertification of physician assistants
1181 that may be approved by the department; (2) has passed any
1182 examination or continued competency assessment the passage of which
1183 may be required by said commission for maintenance of current
1184 certification by said commission; (3) has completed not less than one

1185 contact hour of training or education in prescribing controlled
1186 substances and pain management in the preceding two-year period; and
1187 (4) for registration periods beginning on and after January 1, 2022,
1188 during the first renewal period and not less than once every six years
1189 thereafter, earn not less than two contact hours of training or education
1190 screening for post-traumatic stress disorder, risk of suicide, depression
1191 and grief and suicide prevention training administered by the American
1192 Academy of Physician Associates, or the American Academy of
1193 Physician Associates' successor organization, a hospital or other
1194 licensed health care institution or a regionally accredited institution of
1195 higher education.

1196 (c) Each physician assistant applying for license renewal pursuant to
1197 section 19a-88, as amended by this act, shall sign a statement attesting
1198 that he or she has satisfied the continuing education requirements of
1199 subsection (b) of this section on a form prescribed by the Department of
1200 Public Health. Each licensee shall retain records of attendance or
1201 certificates of completion that demonstrate compliance with the
1202 continuing education requirements of subsection (b) of this section for a
1203 minimum of three years following the year in which the continuing
1204 education was completed and shall submit such records or certificates
1205 to the department for inspection not later than forty-five days after a
1206 request by the department for such records or certificates.

1207 (d) No fee shall be required for the renewal of a license under this
1208 section.

1209 Sec. 15. Section 20-86g of the general statutes is repealed and the
1210 following is substituted in lieu thereof (*Effective October 1, 2026*):

1211 Any person who held a current valid license as a midwife on June 30,
1212 1983, shall be entitled to renew such license annually [, upon payment
1213 of a fee of fifteen dollars,] in accordance with the provisions of section
1214 19a-88, as amended by this act.

1215 Sec. 16. Subsection (c) of section 20-206mm of the general statutes is

1216 repealed and the following is substituted in lieu thereof (*Effective October*
1217 *1, 2026*):

1218 (c) Any person who is certified as an emergency medical technician-
1219 paramedic by the Department of Public Health on October 1, 1997, shall
1220 be deemed a licensed paramedic. Any person so deemed shall renew his
1221 license pursuant to section 19a-88, as amended by this act. [for a fee of
1222 one hundred fifty-five dollars.] No fee shall be required for the renewal
1223 of such license.

1224 Sec. 17. Section 20-74h of the general statutes is repealed and the
1225 following is substituted in lieu thereof (*Effective October 1, 2026*):

1226 (a) Licenses for occupational therapists and occupational therapy
1227 assistants issued under this chapter shall be subject to renewal once
1228 every two years and shall expire unless renewed in the manner
1229 prescribed by regulation. [upon the payment of two times the
1230 professional services fee payable to the State Treasurer for class B as
1231 defined in section 33-182l, plus five dollars.] The department shall notify
1232 any person or entity that fails to comply with the provisions of this
1233 section that the person's or entity's license shall become void ninety days
1234 after the time for its renewal unless it is so renewed. Any such license
1235 shall become void upon the expiration of such ninety-day period. No
1236 fee shall be required for the renewal of a license under this section.

1237 (b) The commissioner shall establish additional requirements for
1238 licensure renewal which provide evidence of continued competency,
1239 which, on and after January 1, 2022, shall include not less than two hours
1240 of training or education, offered or approved by the Connecticut
1241 Occupational Therapy Association, a hospital or other licensed health
1242 care institution or a regionally accredited institution of higher
1243 education, on (1) screening for post-traumatic stress disorder, risk of
1244 suicide, depression and grief, and (2) suicide prevention training during
1245 the first renewal period and not less than once every six years thereafter.
1246 The requirement described in subdivision (2) of this [section] subsection

1247 may be satisfied by the completion of the evidence-based youth suicide
1248 prevention training program administered pursuant to section 17a-52a.

1249 (c) The holder of an expired license may apply for and obtain a valid
1250 license only upon compliance with all relevant requirements for
1251 issuance of a new license. A suspended license is subject to expiration
1252 and may be renewed as provided in this section, but such renewal shall
1253 not entitle the licensee, while the license remains suspended and until it
1254 is reinstated, to engage in the licensed activity, or in any other conduct
1255 or activity in violation of the order or judgment by which the license was
1256 suspended. [If a license revoked on disciplinary grounds is reinstated,
1257 the licensee, as a condition of reinstatement, shall pay the renewal fee.]

1258 Sec. 18. Subsections (a) to (c), inclusive, of section 19a-88 of the 2026
1259 supplement to the general statutes are repealed and the following is
1260 substituted in lieu thereof (*Effective October 1, 2026*):

1261 (a) Each person holding a license to practice dentistry, optometry,
1262 midwifery or dental hygiene shall, annually, during the month of such
1263 person's birth, register with the Department of Public Health, upon
1264 payment of: (1) The professional services fee for class I, as defined in
1265 section 33-182l, plus ten dollars, in the case of a dentist, except as
1266 provided in sections 19a-88b and 20-113b; (2) the professional services
1267 fee for class H, as defined in section 33-182l, plus five dollars, in the case
1268 of an optometrist; (3) twenty dollars in the case of a midwife; and (4)
1269 [one hundred five dollars] in the case of a dental hygienist, no fee shall
1270 be due. Such registration shall be on blanks to be furnished by the
1271 department for such purpose, giving such person's name in full, such
1272 person's residence and business address and such other information as
1273 the department requests. Each person holding a license to practice
1274 dentistry who has retired from the profession may renew such license,
1275 but the fee shall be ten per cent of the professional services fee for class
1276 I, as defined in section 33-182l, or ninety-five dollars, whichever is
1277 greater. Any license provided by the department at a reduced fee
1278 pursuant to this subsection shall indicate that the dentist is retired.

1279 (b) Each person holding a license to practice medicine, surgery,
1280 podiatry, chiropractic or naturopathy shall, annually, during the month
1281 of such person's birth, register with the Department of Public Health,
1282 upon payment of the professional services fee for class I, as defined in
1283 section 33-182l, plus five dollars. Each person holding a license to
1284 practice medicine or surgery shall pay five dollars in addition to such
1285 professional services fee. Such registration shall be on blanks to be
1286 furnished by the department for such purpose, giving such person's
1287 name in full, such person's residence and business address and such
1288 other information as the department requests. On and after January 1,
1289 2026, each person holding a license to practice medicine who has retired
1290 from the profession may renew such license. The fee for such license
1291 renewal shall be ten per cent of the professional services fee for class I,
1292 as determined in accordance with section 33-182l, or ninety-five dollars,
1293 whichever is greater. Any such license provided by the department at a
1294 reduced fee pursuant to this subsection shall indicate that the
1295 practitioner is retired.

1296 (c) (1) Each person holding a license to practice as a registered nurse,
1297 shall, annually, during the month of such person's birth, register with
1298 the Department of Public Health [, upon payment of one hundred ten
1299 dollars,] on blanks to be furnished by the department for such purpose,
1300 giving such person's name in full, such person's residence and business
1301 address and such other information as the department requests. Each
1302 person holding a license to practice as a registered nurse who has retired
1303 from the profession may renew such license [, but the fee shall be ten
1304 per cent of the professional services fee for class B, as defined in section
1305 33-182l, plus five dollars. Any license provided by the department at a
1306 reduced fee] but any such license shall indicate that the registered nurse
1307 is retired.

1308 (2) Each person holding a license as an advanced practice registered
1309 nurse shall, annually, during the month of such person's birth, register
1310 with the Department of Public Health [, upon payment of one hundred
1311 thirty dollars,] on blanks to be furnished by the department for such

1312 purpose, giving such person's name in full, such person's residence and
1313 business address and such other information as the department
1314 requests. No such license shall be renewed unless the department is
1315 satisfied that the person maintains current certification as either a nurse
1316 practitioner, a clinical nurse specialist or a nurse anesthetist from one of
1317 the following national certifying bodies which certify nurses in
1318 advanced practice: The American Nurses' Association, the Nurses'
1319 Association of the American College of Obstetricians and Gynecologists
1320 Certification Corporation, the National Board of Pediatric Nurse
1321 Practitioners and Associates or the American Association of Nurse
1322 Anesthetists. Each person holding a license to practice as an advanced
1323 practice registered nurse who has retired from the profession may
1324 renew such license [, but the fee shall be ten per cent of the professional
1325 services fee for class C, as defined in section 33-182l, plus five dollars.
1326 Any license provided by the department at a reduced fee] but any such
1327 license shall indicate that the advanced practice registered nurse is
1328 retired.

1329 (3) Each person holding a license as a licensed practical nurse shall,
1330 annually, during the month of such person's birth, register with the
1331 Department of Public Health [, upon payment of seventy dollars,] on
1332 blanks to be furnished by the department for such purpose, giving such
1333 person's name in full, such person's residence and business address and
1334 such other information as the department requests. Each person holding
1335 a license to practice as a licensed practical nurse who has retired from
1336 the profession may renew such license [, but the fee shall be ten per cent
1337 of the professional services fee for class A, as defined in section 33-182l,
1338 plus five dollars. Any license provided by the department at a reduced
1339 fee] but any such license shall indicate that the licensed practical nurse
1340 is retired.

1341 (4) Each person holding a license as a nurse-midwife shall, annually,
1342 during the month of such person's birth, register with the Department
1343 of Public Health [, upon payment of one hundred thirty dollars,] on
1344 blanks to be furnished by the department for such purpose, giving such

1345 person's name in full, such person's residence and business address and
1346 such other information as the department requests. No such license shall
1347 be renewed unless the department is satisfied that the person maintains
1348 current certification from the Accreditation Midwifery Certification
1349 Board.

1350 (5) (A) Each person holding a license to practice physical therapy
1351 shall, annually, during the month of such person's birth, register with
1352 the Department of Public Health [, upon payment of the professional
1353 services fee for class B, as defined in section 33-182l, plus five dollars,]
1354 on blanks to be furnished by the department for such purpose, giving
1355 such person's name in full, such person's residence and business address
1356 and such other information as the department requests.

1357 (B) Each person holding a physical therapist assistant license shall,
1358 annually, during the month of such person's birth, register with the
1359 Department of Public Health [, upon payment of the professional
1360 services fee for class A, as defined in section 33-182l, plus five dollars,]
1361 on blanks to be furnished by the department for such purpose, giving
1362 such person's name in full, such person's residence and business address
1363 and such other information as the department requests.

1364 Sec. 19. Section 19a-12d of the general statutes is repealed and the
1365 following is substituted in lieu thereof (*Effective October 1, 2026*):

1366 (a) On or before the last day of January, April, July and October in
1367 each year, the Commissioner of Public Health shall certify the amount
1368 of revenue received as a result of any fee increase in the amount of five
1369 dollars (1) that took effect October 1, 2015, pursuant to sections 19a-88,
1370 as amended by this act, 19a-515, 20-65k, 20-74bb, 20-74h, as amended by
1371 this act, 20-74s, 20-149, 20-162o, 20-162bb, 20-191a, 20-195c, as amended
1372 by this act, 20-195o, as amended by this act, 20-195cc, as amended by
1373 this act, 20-201, 20-206b, 20-206n, 20-206r, 20-206bb, 20-206ll, 20-222a, 20-
1374 275, 20-395d, 20-398 and 20-412, (2) that took effect October 1, 2021,
1375 pursuant to section 20-185k, and (3) that took effect July 1, 2021,

1376 pursuant to section 20-12j, as amended by this act, and transfer such
1377 amount to the professional assistance program account established in
1378 section 19a-12c.

1379 (b) On and after October 1, 2025, until ~~[January 1, 2028]~~ October 1,
1380 2026, in addition to the transfers made pursuant to subsection (a) of this
1381 section, the commissioner shall transfer an additional two dollars from
1382 each license renewed pursuant to subdivision (1) or (3) of subsection (c)
1383 of section 19a-88, as amended by this act, to the professional assistance
1384 program account established pursuant to section 19a-12c. Transfers
1385 made pursuant to this subsection shall occur at the same times and
1386 frequency as the transfers made pursuant to subsection (a) of this
1387 section.

1388 Sec. 20. Section 20-195c of the 2026 supplement to the general statutes
1389 is repealed and the following is substituted in lieu thereof (*Effective*
1390 *October 1, 2026*):

1391 (a) Each applicant for licensure as a marital and family therapist shall
1392 present to the department satisfactory evidence that such applicant has:
1393 (1) Completed a graduate degree program specializing in marital and
1394 family therapy offered by a regionally accredited college or university
1395 or an accredited postgraduate clinical training program accredited by
1396 the Commission on Accreditation for Marriage and Family Therapy
1397 Education offered by a regionally accredited institution of higher
1398 education; (2) completed a supervised practicum or internship with
1399 emphasis in marital and family therapy supervised by the program
1400 granting the requisite degree or by an accredited postgraduate clinical
1401 training program accredited by the Commission on Accreditation for
1402 Marriage and Family Therapy Education and offered by a regionally
1403 accredited institution of higher education; (3) completed twenty-four
1404 months of relevant postgraduate experience, including (A) a minimum
1405 of one thousand hours of direct client contact offering marital and
1406 family therapy services subsequent to being awarded a master's degree
1407 or doctorate or subsequent to the training year specified in subdivision

1408 (2) of this subsection, and (B) one hundred hours of postgraduate
1409 clinical supervision provided by a licensed marital and family therapist;
1410 and (4) passed an examination prescribed by the department.

1411 (b) Each applicant for licensure as a marital and family therapist
1412 associate shall present to the department satisfactory evidence that such
1413 applicant has completed a graduate degree program specializing in
1414 marital and family therapy offered by a regionally accredited institution
1415 of higher education or an accredited postgraduate clinical training
1416 program accredited by the Commission on Accreditation for Marriage
1417 and Family Therapy Education and offered by a regionally accredited
1418 institution of higher education.

1419 (c) The department may grant licensure without examination to any
1420 applicant who is currently licensed or certified as (1) a marital or
1421 marriage and family therapist in another state, territory or
1422 commonwealth of the United States, or (2) a marital and family therapist
1423 associate in another state, territory or commonwealth of the United
1424 States, provided the state, territory or commonwealth where such
1425 marital and family therapist associate is currently licensed or certified
1426 maintains licensure or certification standards which, in the opinion of
1427 the department, are equivalent to or higher than the standards of this
1428 state. No license shall be issued under this section to any applicant
1429 against whom professional disciplinary action is pending or who is the
1430 subject of an unresolved complaint.

1431 (d) (1) A license issued to a marital and family therapist issued under
1432 this section may be renewed annually in accordance with the provisions
1433 of section 19a-88, as amended by this act. [The fee for such renewal shall
1434 be two hundred dollars.] Each licensed marital and family therapist
1435 applying for license renewal shall furnish evidence satisfactory to the
1436 commissioner of having participated in continuing education programs.
1437 The commissioner shall adopt regulations, in accordance with chapter
1438 54, to (A) define basic requirements for continuing education programs,
1439 which shall include not less than one contact hour of training or

1440 education each registration period on the topic of cultural competency
1441 and, on and after January 1, 2016, not less than two contact hours of
1442 training or education during the first renewal period in which
1443 continuing education is required and not less than once every six years
1444 thereafter on the topic of mental health conditions common to veterans
1445 and family members of veterans, including (i) determining whether a
1446 patient is a veteran or family member of a veteran, (ii) screening for
1447 conditions such as post-traumatic stress disorder, risk of suicide,
1448 depression and grief, and (iii) suicide prevention training, (B) delineate
1449 qualifying programs, (C) establish a system of control and reporting,
1450 and (D) provide for waiver of the continuing education requirement for
1451 good cause.

1452 (2) A license issued to a marital and family therapist associate (A)
1453 prior to July 1, 2023, shall expire on or before twenty-four months after
1454 the date on which such license was issued, and (B) on or after July 1,
1455 2023, shall expire on or before twelve months after the date on which
1456 such license was issued. Such license may be renewed not more than
1457 two times if issued prior to July 1, 2023, and not more than three times
1458 if issued on or after July 1, 2023, for twelve months in accordance with
1459 the provisions of section 19a-88, as amended by this act. [The fee for such
1460 renewal shall be one hundred twenty-five dollars.] Each licensed
1461 marital and family therapist associate applying for license renewal shall
1462 furnish evidence satisfactory to the commissioner of having satisfied the
1463 continuing education requirements prescribed in subdivision (1) of this
1464 subsection.

1465 (e) No fee shall be required for an application for licensure under
1466 subsection (a) or (b) of this section or for the renewal of a license under
1467 subsection (d) of this section.

1468 (f) Notwithstanding the provisions of this section, a person who is a
1469 graduate of a graduate degree program or a postgraduate clinical
1470 training program described in subsection (b) of this section may practice
1471 marital and family therapy for a period not greater than one hundred

1472 twenty calendar days after the date such person completed such
1473 program, provided such person works under the clinical supervision of
1474 a licensed marital family therapist.

1475 Sec. 21. Section 20-195o of the 2026 supplement to the general statutes
1476 is repealed and the following is substituted in lieu thereof (*Effective*
1477 *October 1, 2026*):

1478 (a) Application for licensure shall be on forms prescribed and
1479 furnished by the commissioner. Each applicant shall furnish evidence
1480 satisfactory to the commissioner that he or she has met the requirements
1481 of section 20-195n.

1482 (b) (1) Notwithstanding the provisions of section 20-195n concerning
1483 examinations, on or before October 1, 2015, the commissioner may issue
1484 a license without examination, to any master social worker applicant
1485 who demonstrates to the satisfaction of the commissioner that, on or
1486 before October 1, 2013, he or she held a master's degree from a social
1487 work program accredited by the Council on Social Work Education or,
1488 if educated outside the United States or its territories, completed an
1489 educational program deemed equivalent by the council.

1490 (2) Notwithstanding the provisions of section 20-195n concerning
1491 examinations, the commissioner shall waive the requirement to pass the
1492 masters level examination of the Association of Social Work Boards or
1493 any other examination prescribed by the commissioner, as described in
1494 subsection (b) of section 20-195n until January 1, 2026, at which time
1495 such requirement shall be reinstated. Not later than July 1, 2025, the
1496 commissioner shall notify institutions of higher education offering
1497 social work programs about the reinstatement of the examination for all
1498 persons graduating after January 1, 2026.

1499 (c) Each person licensed pursuant to this chapter may apply for
1500 renewal of such licensure in accordance with the provisions of
1501 subsection (e) of section 19a-88. [A fee of two hundred dollars shall
1502 accompany each renewal application for a licensed clinical social worker

1503 and a fee of one hundred twenty-five dollars shall accompany each
1504 renewal application for a licensed master social worker.] Each such
1505 applicant shall furnish evidence satisfactory to the commissioner of
1506 having satisfied the continuing education requirements prescribed in
1507 section 20-195u.

1508 (d) No fee shall be required for an application for licensure under
1509 subsection (a) of this section or for the renewal of a license under
1510 subsection (c) of this section.

1511 (e) (1) An individual who has been convicted of any criminal offense
1512 may request, in writing, at any time, that the commissioner determine
1513 whether such individual's criminal conviction disqualifies the
1514 individual from obtaining a license issued or conferred by the
1515 commissioner pursuant to this chapter based on (A) the nature of the
1516 conviction and its relationship to the individual's ability to safely or
1517 competently perform the duties or responsibilities associated with such
1518 license, (B) information pertaining to the degree of rehabilitation of the
1519 individual, and (C) the time elapsed since the conviction or release of
1520 the individual.

1521 (2) An individual making such request shall include (A) details of the
1522 individual's criminal conviction, and (B) any payment required by the
1523 commissioner. The commissioner may charge a fee of not more than
1524 fifteen dollars for each request made under this subsection. The
1525 commissioner may waive such fee.

1526 (3) Not later than thirty days after receiving a request under this
1527 subsection, the commissioner shall inform the individual making such
1528 request whether, based on the criminal record information provided,
1529 such individual is disqualified from receiving or holding a license
1530 issued or conferred pursuant to this chapter.

1531 (4) The commissioner is not bound by a determination made under
1532 this subsection, if, upon further investigation, the commissioner
1533 determines that an individual's criminal conviction differs from the

1534 information presented in the determination request.

1535 Sec. 22. Section 20-195cc of the 2026 supplement to the general
1536 statutes is repealed and the following is substituted in lieu thereof
1537 (*Effective October 1, 2026*):

1538 (a) The Commissioner of Public Health shall grant a license (1) as a
1539 professional counselor to any applicant who furnishes evidence
1540 satisfactory to the commissioner that such applicant has met the
1541 requirements of section 20-195dd, and (2) as a professional counselor
1542 associate to any applicant who furnishes evidence satisfactory to the
1543 commissioner that such applicant has met the requirements of section
1544 20-195dd. The commissioner shall develop and provide application
1545 forms.

1546 (b) Licenses issued to professional counselors and professional
1547 counselor associates under this section may be renewed annually
1548 pursuant to section 19a-88, as amended by this act. [The fee for such
1549 renewal shall be two hundred dollars for a professional counselor and
1550 one hundred twenty-five dollars for a professional counselor associate.]
1551 Each licensed professional counselor and professional counselor
1552 associate applying for license renewal shall furnish evidence
1553 satisfactory to the commissioner of having participated in continuing
1554 education programs. The commissioner shall adopt regulations, in
1555 accordance with chapter 54, to (1) define basic requirements for
1556 continuing education programs that shall include (A) not less than one
1557 contact hour of training or education each registration period on the
1558 topic of cultural competency, (B) on and after January 1, 2016, not less
1559 than two contact hours of training or education during the first renewal
1560 period in which continuing education is required and not less than once
1561 every six years thereafter on the topic of mental health conditions
1562 common to veterans and family members of veterans, including (i)
1563 determining whether a patient is a veteran or family member of a
1564 veteran, (ii) screening for conditions such as post-traumatic stress
1565 disorder, risk of suicide, depression and grief, and (iii) suicide

1566 prevention training, and (C) on and after January 1, 2018, not less than
1567 three contact hours of training or education each registration period on
1568 the topic of professional ethics, (2) delineate qualifying programs, (3)
1569 establish a system of control and reporting, and (4) provide for a waiver
1570 of the continuing education requirement for good cause.

1571 (c) (1) Any individual who has been convicted of any criminal offense
1572 may request, at any time, that the commissioner determine whether
1573 such individual's criminal conviction disqualifies the individual from
1574 obtaining a license issued or conferred by the commissioner pursuant to
1575 this chapter based on (A) the nature of the conviction and its
1576 relationship to the individual's ability to safely or competently perform
1577 the duties or responsibilities associated with such license, (B)
1578 information pertaining to the degree of rehabilitation of the individual,
1579 and (C) the time elapsed since the conviction or release of the individual.

1580 (2) An individual making such request shall include (A) details of the
1581 individual's criminal conviction, and (B) any payment required by the
1582 commissioner. The commissioner may charge a fee of not more than
1583 fifteen dollars for each request made under this subsection. The
1584 commissioner may waive such fee.

1585 (3) Not later than thirty days after receiving a request under this
1586 subsection, the commissioner shall inform the individual making such
1587 request whether, based on the criminal record information submitted,
1588 such individual is disqualified from receiving or holding a license
1589 issued or conferred pursuant to this chapter.

1590 (4) The commissioner is not bound by a determination made under
1591 this section, if, upon further investigation, the commissioner determines
1592 that the individual's criminal conviction differs from the information
1593 presented in the determination request.

1594 (d) Notwithstanding the provisions of this section, a person who is a
1595 graduate of a course of study described in subdivision (1) or (2) of
1596 subsection (b) of section 20-195dd may practice professional counseling

1597 for a period not greater than one hundred twenty calendar days after
1598 the date such person completed such course of study, provided such
1599 person works under professional supervision.

1600 (e) No fee shall be required for an application for licensure under
1601 subsection (a) of this section or for the renewal of a license under
1602 subsection (b) of this section.

1603 Sec. 23. Section 20-333 of the 2026 supplement to the general statutes
1604 is repealed and the following is substituted in lieu thereof (*Effective*
1605 *October 1, 2026*):

1606 (a) (1) To obtain a license under this chapter, an applicant shall have
1607 attained such applicant's eighteenth birthday and shall furnish such
1608 evidence of competency as the appropriate board or the Commissioner
1609 of Consumer Protection shall require. A recommendation for review
1610 issued pursuant to section 31-22u shall be sufficient to demonstrate such
1611 competency. The applicant shall satisfy such board or the commissioner
1612 that such applicant possesses a diploma or other evidence of graduation
1613 from the eighth grade of grammar school, or possesses an equivalent
1614 education to be determined on examination and has the requisite skill
1615 to perform the work in the trade for which such applicant is applying
1616 for a license and can comply with all other requirements of this chapter
1617 and the regulations adopted under this chapter. A recommendation for
1618 review issued pursuant to section 31-22u shall be sufficient to
1619 demonstrate that an applicant possesses such requisite skill and can
1620 comply with all other requirements of this chapter and the regulations
1621 adopted under this chapter. For any application submitted pursuant to
1622 this section that requires a hearing or other action by the applicable
1623 examining board or the commissioner, such hearing or other action by
1624 the applicable examining board or the commissioner shall occur not
1625 later than thirty days after the date of submission for such application.

1626 [Upon] (2) Except as provided in subdivision (3) of this subsection,
1627 upon application for any such license, the applicant shall pay to the

1628 department a nonrefundable application fee [of ninety dollars for a
1629 license under subdivisions (2) and (3) of subsection (a) and subdivision
1630 (4) of subsection (e) of section 20-334a, or a nonrefundable application
1631 fee of one hundred fifty dollars for a license under subdivision (1) of
1632 subsection (a), subdivisions (1) and (2) of subsection (b), subdivision (1)
1633 of subsection (c) and subdivisions (1), (2) and (3) of subsection (e) of
1634 section 20-334a.] as follows:

1635 (A) For an unlimited contractor's or a limited contractor's license
1636 under subdivision (1) of subsection (a) of section 20-334a, as amended
1637 by this act, one hundred fifty dollars; and

1638 (B) For an unlimited journeyman's or a limited journeyman's license
1639 or an apprentice's permit under subdivisions (2) and (3) of subsection
1640 (a) of section 20-334a, as amended by this act, ninety dollars.

1641 (3) No application fee shall be required for the following licenses:

1642 (A) Unlimited electrical contractor or unlimited electrical
1643 journeyman;

1644 (B) Limited electrical contractor or limited electrical journeyman;

1645 (C) Limited solar electric contractor or limited solar electric
1646 journeyman;

1647 (D) Unlimited heating, piping and cooling contractor or unlimited
1648 heating, piping and cooling journeyman;

1649 (E) Limited heating, piping and cooling contractor or limited heating,
1650 piping and cooling journeyman;

1651 (F) Heating, piping and cooling operating stationary engineer;

1652 (G) Unlimited plumbing and piping contractor or unlimited
1653 plumbing and piping journeyman;

1654 (H) Limited plumbing and piping contractor or limited plumbing

1655 and piping journeyman; or

1656 (I) Limited sheet metal work contractor or limited sheet metal work
1657 journeyman.

1658 (4) Any [such] application fee required under this section shall be
1659 waived for persons who present a recommendation for review issued
1660 pursuant to section 31-22u.

1661 (b) (1) The department shall conduct such written, oral and practical
1662 examinations as the appropriate board, with the consent of the
1663 commissioner, deems necessary to test the knowledge of the applicant
1664 in the work for which a license is being sought. The department shall
1665 allow any applicant, who has not participated in a registered
1666 apprenticeship program, as set forth in section 31-22r, but either
1667 presents a recommendation for review issued pursuant to section 31-
1668 22u or demonstrates to the department, in consultation with the
1669 applicable board, equivalent experience and training, to sit for any such
1670 examination.

1671 (2) Any person completing the required apprentice training program
1672 for a journeyman's license under section 20-334a, as amended by this
1673 act, shall, not later than thirty days after completing such program,
1674 apply for a licensure examination given by the department or a person
1675 authorized by the department to give such examination. If an applicant
1676 does not pass such licensure examination, the commissioner shall
1677 provide each failed applicant with information on how to retake the
1678 examination and a report describing the applicant's strengths and
1679 weaknesses in such examination. Any apprentice permit issued under
1680 section 20-334a, as amended by this act, to an applicant who fails three
1681 licensure examinations in any one-year period shall remain in effect if
1682 such applicant applies for and takes the first licensure examination
1683 given by the department following the one-year period beginning on
1684 the date of such applicant's third and last unsuccessful licensure
1685 examination. Otherwise, such permit shall be revoked as of the date of

1686 the first examination given by the department following expiration of
1687 such one-year period. Upon application to the department for an initial
1688 license under the provisions of this chapter, an applicant shall submit
1689 evidence of successful completion of the applicant's final licensure
1690 examination, which successful completion shall occur not more than
1691 two years prior to the date of the relevant licensure application, unless
1692 the appropriate board grants a hardship extension of such two-year
1693 period.

1694 (c) The Commissioner of Consumer Protection, subject to section 46a-
1695 80, may deny a license or may issue a license pursuant to a consent order
1696 containing conditions that shall be met by the applicant if the applicant
1697 reports that he or she has been found guilty or convicted as a result of
1698 an act which constitutes a felony under (1) the laws of this state at the
1699 time of application for such license, (2) federal law at the time of
1700 application for such license, or (3) the laws of another jurisdiction, and
1701 which, if committed within this state, would constitute a felony under
1702 the laws of this state.

1703 (d) When an applicant has qualified for a license, the department
1704 shall, upon receipt of the license fee, if applicable, or upon waiver of
1705 such fee pursuant to section 20-335, as amended by this act, issue to such
1706 applicant a license entitling such applicant to engage in the work or
1707 occupation for which a license was sought and shall register each
1708 successful applicant's name and address in the roster of licensed persons
1709 authorized to engage in the work or occupation within the appropriate
1710 board's authority. All fees and other moneys collected by the
1711 department shall be promptly transmitted to the State Treasurer as
1712 provided in section 4-32.

1713 Sec. 24. Section 20-334a of the general statutes is repealed and the
1714 following is substituted in lieu thereof (*Effective October 1, 2026*):

1715 (a) Except as otherwise provided in this section, the following
1716 licenses may be issued by the Department of Consumer Protection, with

1717 the advice and assistance of the boards, under the provisions of section
1718 20-333, as amended by this act:

1719 (1) (A) An unlimited contractor's license may be issued to a person
1720 who has served as a journeyman in the trade for which such person
1721 seeks a license for not less than two years and, if such service as a
1722 journeyman was outside this state, has furnished evidence satisfactory
1723 to the appropriate state board or the department that such service is
1724 comparable to similar service in this state, or has furnished satisfactory
1725 evidence of education and experience and has passed an examination
1726 which has demonstrated that such person is competent in all aspects of
1727 such trade to be an unlimited contractor. (B) A limited contractor's
1728 license may be issued to a person who fulfills the requirements of
1729 subparagraph (A) of this subdivision as to a specific area or areas within
1730 the trade for which such person seeks a license. (C) The holder of an
1731 unlimited or a limited contractor's license may, within the trade, or the
1732 area or areas of the trade, for which such holder has been licensed,
1733 furnish supplies and do layout, installation, repair and maintenance
1734 work and distribute and handle materials, provided nothing in this
1735 subdivision shall be construed to authorize the performance of any
1736 action for which licensure is required under the provisions of chapter
1737 390 or 391. Such licensee shall furnish the board or the department with
1738 evidence that such licensee will comply with all state requirements
1739 pertaining to workers' compensation and unemployment insurance and
1740 that such evidence shall be available to any properly interested person
1741 prior to the issuance of a license under this subdivision.

1742 (2) (A) An unlimited journeyman's license may be issued to any
1743 person who has completed a bona fide apprenticeship program,
1744 including not less than four years' experience in the trade for which such
1745 person seeks a license, and has demonstrated such person's competency
1746 to perform all services included in the trade for which a license is sought
1747 by successfully completing the applicable state licensure examination.
1748 (B) A limited journeyman's license may be issued to a person who fulfills
1749 the requirements of subparagraph (A) of this subdivision in a specific

1750 area or areas of the trade for which such person seeks a license, provided
1751 the length of experience required may be less than four years for such
1752 area or areas of the trade.

1753 (3) An apprentice's permit may be issued for the performance of work
1754 in a trade licensed under the provisions of this chapter, for the purpose
1755 of training, which work may be performed only under the supervision
1756 of a licensed contractor or journeyman.

1757 (4) An apprentice permit shall expire upon the failure of the
1758 apprentice holding such permit to apply for the first licensure
1759 examination given by the department following completion of an
1760 apprentice training program as provided in subdivision (2) of this
1761 subsection.

1762 (b) The following licenses for solar thermal work may be issued by
1763 the department, with the advice and assistance of the examining board
1764 for heating, piping, cooling and sheet metal work, under the provisions
1765 of section 20-333, as amended by this act, including an examination on
1766 solar work:

1767 (1) A solar thermal contractor's license may be issued to any person
1768 who (A) not later than July 1, 1984, (i) has been issued a P-1, P-3, S-1, S-
1769 3, S-5, S-7, D-1 or D-3 license under subdivision (1) of subsection (a) of
1770 this section or installs at least six fully operational solar hot water
1771 heating systems, and (ii) qualifies for a solar thermal contractor's license
1772 under section 20-333, as amended by this act, or (B) has served as a solar
1773 thermal journeyman for not less than two years.

1774 (2) A solar thermal journeyman's license may be issued to any person
1775 who (A) not later than July 1, 1984, (i) is issued a P-2, P-4, S-2, S-4, S-6,
1776 S-8, D-2 or D-4 license under subdivision (2) of subsection (a) of this
1777 section, and (ii) qualifies for a solar thermal journeyman's license under
1778 section 20-333, as amended by this act, (B) after July 1, 1984, is issued a
1779 P-2, P-4, S-2, S-4, S-6, S-8, D-2 or D-4 license under subdivision (2) of
1780 subsection (a) of this section and whose bona fide apprenticeship

1781 program includes instruction in solar thermal work, or (C) after July 1,
1782 1984, completes a bona fide solar thermal work apprenticeship program
1783 and has not less than two years' experience in solar thermal work. A
1784 solar thermal journeyman may work only under the supervision of a
1785 licensed solar thermal contractor.

1786 (3) A solar thermal apprentice's permit may be issued for the
1787 performance of solar thermal work for the purpose of training. Such
1788 work may be performed only under the supervision of a licensed solar
1789 thermal contractor or journeyman.

1790 (c) The following licenses for fire protection sprinkler systems work
1791 may be issued by the department: (1) A fire protection sprinkler
1792 contractor's license may be issued to a person who provides satisfactory
1793 evidence of education and experience in fire protection sprinkler
1794 systems work, as defined in subdivision (9) of section 20-330, and who
1795 has passed an examination which has demonstrated competence in all
1796 aspects of such trade. Applicants for such license shall complete a form
1797 provided by the commissioner; and

1798 (2) [a] A journeyman sprinkler fitter's license may be issued to a
1799 person who has completed a bona fide apprenticeship program
1800 pursuant to section 20-334c, and who has not less than four [years] years'
1801 experience in fire protection sprinkler systems work, as defined in
1802 subdivision (9) of section 20-330, or who has been licensed under this
1803 section, and has passed an examination which has demonstrated
1804 competence in all aspects of such trade. Applicants for such license shall
1805 complete a form provided by the department.

1806 (d) The following licenses for irrigation work may be issued by the
1807 department upon authorization of the examining board for plumbing
1808 and piping work under the provisions of section 20-333, as amended by
1809 this act: (1) An irrigation contractor's license, and (2) an irrigation
1810 journeyman's license.

1811 (e) The following licenses for sheet metal work may be issued by the

1812 department upon authorization of the examining board for heating,
1813 piping, cooling and sheet metal work, under the provisions of section
1814 20-333, as amended by this act, in addition to any licenses or permits
1815 issued for such work under subsection (a) of this section:

1816 [(1) Prior to January 1, 2002, a limited contractor's license for large
1817 commercial sheet metal work may be issued to any person who has
1818 worked as a sheet metal contractor or successfully worked in such trade
1819 in the capacity of a journeyman sheet metal worker for not less than two
1820 years.

1821 (2) On or after January 1, 2002, a] (1) A limited contractor's license for
1822 large commercial sheet metal work may be issued to any person who
1823 has (A) served as a journeyman in the trade for which such person seeks
1824 a license for not less than two years, and (B) if such service as a
1825 journeyman was outside this state, furnished evidence satisfactory to
1826 the examining board for heating, piping, cooling and sheet metal work
1827 that such service is comparable to similar service in this state.

1828 [(3) Prior to January 1, 2002, a limited journeyman's license for large
1829 commercial sheet metal work may be issued to any person who has (A)
1830 successfully completed a bona fide apprenticeship program, including
1831 not less than four years of experience in the trade for which such person
1832 seeks a license, or (B) demonstrated such person's competency to
1833 perform such work by furnishing proof of continuous employment in
1834 such trade for not less than eight thousand hours within the previous
1835 five years, subject to the approval of the examining board for heating,
1836 piping, cooling and sheet metal work.

1837 (4) On or after January 1, 2002, a] (2) A limited journeyman's license
1838 for large commercial sheet metal work may be issued to any person who
1839 has (A) successfully completed a bona fide apprenticeship program,
1840 including not less than four years of experience in the trade for which
1841 such person seeks a license, and (B) demonstrated such person's
1842 competency to perform all services included in the trade for which a

1843 license is sought by successfully completing the applicable state
1844 licensure examination.

1845 (f) On and after January 1, 2002, the following licenses for automotive
1846 glass work and flat glass work may be issued by the department upon
1847 authorization of the examining board for automotive glass work and flat
1848 glass work, under the provisions of section 20-333, as amended by this
1849 act:

1850 (1) [On and after January 1, 2002, but before January 1, 2003, an
1851 unlimited contractor's license for automotive glass work or flat glass
1852 work may be issued to any person who has served as a journeyman in
1853 the trade for which such person seeks a license for not less than three
1854 years. On and after January 1, 2002, an] An unlimited contractor's license
1855 for automotive glass work or flat glass work may be issued to any
1856 person who (A) has served as a journeyman in the trade for which such
1857 person seeks a license for not less than three years and, if such service
1858 as a journeyman was outside this state, has furnished evidence
1859 satisfactory to the examining board for automotive glass work and flat
1860 glass work that such service is comparable to similar service in this state,
1861 and (B) has furnished satisfactory evidence of education and experience
1862 and has passed an examination which has demonstrated that such
1863 person is competent in all aspects of such trade to be an unlimited
1864 contractor for automotive glass work or flat glass work.

1865 (2) [On and after January 1, 2002, but before January 1, 2003, an
1866 unlimited journeyman's license for automotive glass work or flat glass
1867 work may be issued to any person who has served in the trade for which
1868 such person seeks a license for not less than two years. On and after
1869 January 1, 2002, an] An unlimited journeyman's license for automotive
1870 glass work or flat glass work may be issued to any person who has
1871 successfully completed a bona fide apprenticeship program as required
1872 by the examining board for automotive glass work and flat glass work,
1873 and has demonstrated such person's competency to perform all services
1874 included in the trade for which a license is sought by successfully

1875 completing the applicable state licensure examination.

1876 (g) [On or after July 1, 2003, a] A medical gas and vacuum systems
1877 certificate for medical gas and vacuum systems work may be issued by
1878 the department, upon the authorization of the Plumbing and Piping
1879 Work Board or the Heating, Piping and Cooling Work Board, as
1880 appropriate, to any person who (1) has been issued a P-1, P-2, S-1, S-2,
1881 S-3 or S-4 license under subdivision (1) of subsection (a) of this section,
1882 (2) has been certified as a medical gas and vacuum system brazer issued
1883 in accordance with the standards of Section IX entitled "Welding and
1884 Brazing Qualifications" of the American Society of Mechanical
1885 Engineers Boiler and Pressure Vessel Code, and (3) has been certified as
1886 having completed an approved training course on medical gas and
1887 vacuum system installation as required by American National
1888 Standards Institute-American Society of Sanitary Engineering Series
1889 6000. No person shall perform medical gas and vacuum systems work
1890 unless such person has obtained a certificate pursuant to this subsection.
1891 Such certificate shall be renewed consistent with the renewal process for
1892 the prerequisite licenses. The fee for such certificate shall be fifty dollars.

1893 (h) A limited sheet metal power industry license may be issued to any
1894 person upon authorization of the examining board for heating, piping,
1895 cooling and sheet metal work, subject to the provisions of section 20-
1896 333, as amended by this act. Prior to taking the licensure examination,
1897 an applicant shall successfully complete an education and training
1898 program established and approved by the Labor Department with the
1899 advice of the Connecticut State Apprenticeship Council. The holder of
1900 such license may only install, erect, replace, repair or alter breeching
1901 exhaust and inlet air systems at electric generation facilities, including,
1902 but not limited to, cogeneration plants, bio-mass facilities, blast
1903 furnaces, combined cycle facilities, fossil fuel, gas and hydro power
1904 facilities, incinerators and nuclear power facilities. The holder of such
1905 license may only perform such work while in the employ of a contractor
1906 licensed to perform such sheet metal work under this chapter.

1907 (i) The Electrical Work Board shall authorize any person to install,
1908 service and repair residential security systems limited to twenty-five
1909 volts and five amperes in one to three-family residential dwellings,
1910 provided the person is in the employ of an electrical contractor holding
1911 an E-1 unlimited contractor license or an L-5 contractor license issued
1912 pursuant to subdivision (1) of subsection (a) of this section and the
1913 person has successfully completed an apprenticeship and training
1914 program established and approved by the Labor Department with the
1915 advice of the Connecticut State Apprenticeship Council. Any person
1916 authorized to work under this subsection shall not perform
1917 telecommunications electrical work, as defined in section 20-340b, with
1918 the exception of work involving interface wiring from a residential
1919 security system to an existing telephone connection for monitoring
1920 purposes. Any person who is authorized to work under this subsection
1921 shall, no later than fifteen months after being issued [said] such
1922 authorization, secure an L-6 limited electrical journeyperson's license
1923 pursuant to subdivision (2) of subsection (a) of this section.

1924 Sec. 25. Section 20-334e of the general statutes is repealed and the
1925 following is substituted in lieu thereof (*Effective October 1, 2026*):

1926 Any person who has been issued an L-5 or L-6 license pursuant to
1927 subdivision (1) of subsection (a) of section 20-334a, as amended by this
1928 act, shall be eligible to take the licensure examination for a C-5 or C-6
1929 license issued pursuant to subdivision (1) of subsection (a) of section 20-
1930 334a, as amended by this act, provided such person submits a complete
1931 license application [and a nonrefundable application fee pursuant to
1932 section 20-333] and provides satisfactory evidence of experience in the
1933 field of telecommunications work to the Electrical Work Board.

1934 Sec. 26. Section 20-335 of the general statutes is repealed and the
1935 following is substituted in lieu thereof (*Effective October 1, 2026*):

1936 [Any] (a) (1) Except as provided under subdivision (2) of this
1937 subsection, any person who has successfully completed an examination

1938 for such person's initial license under this chapter shall pay to the
1939 Department of Consumer Protection a fee of one hundred fifty dollars
1940 for a contractor's license or a fee of one hundred twenty dollars for any
1941 other such license. Any such initial license fee shall be waived for
1942 persons who present a recommendation for review issued pursuant to
1943 section 31-22u.

1944 (2) No fee shall be required for the issuance of an initial license under
1945 this section for a person exempt from paying the application fee
1946 pursuant to subdivision (3) of subsection (a) of section 20-333, as
1947 amended by this act.

1948 (b) (1) All such licenses shall expire annually. No person shall carry
1949 on or engage in the work or occupations subject to this chapter after the
1950 expiration of such person's license until such person has filed an
1951 application bearing the date of such person's registration card with the
1952 appropriate board. Such application shall be in writing, addressed to the
1953 secretary of the board from which such renewal is sought and signed by
1954 the person applying for such renewal. A licensee applying for renewal
1955 shall, at such times as the commissioner shall by regulation prescribe,
1956 furnish evidence satisfactory to the board that the licensee has
1957 completed any continuing professional education required under
1958 sections 20-330 to 20-341, inclusive, or any regulations adopted
1959 thereunder.

1960 (2) The board may renew such license if the application for such
1961 renewal is received by the board no later than one month after the date
1962 of expiration of such license. [, upon] Except as provided in subdivision
1963 (3) of this subsection, the licensee shall make payment to the department
1964 of a renewal fee of one hundred fifty dollars in the case of a contractor
1965 and of one hundred twenty dollars for any other such license. For any
1966 completed renewal application submitted pursuant to this section that
1967 requires a hearing or other action by the applicable examining board,
1968 such hearing or other action by the applicable examining board shall
1969 occur not later than thirty days after the date of submission for such

1970 completed renewal application. [The]

1971 (3) No fee shall be required for the renewal of a license under this
1972 section for a person exempt from paying the application fee pursuant to
1973 subdivision (3) of subsection (a) of section 20-333, as amended by this
1974 act.

1975 (4) If applicable, the department shall issue a receipt stating the fact
1976 of [such] the payment made under subdivision (2) of this subsection,
1977 which receipt shall be a license to engage in such work or occupation. A
1978 licensee who has failed to renew such licensee's license for a period of
1979 over two years from the date of expiration of such license shall have it
1980 reinstated only upon complying with the requirements of section 20-
1981 333, as amended by this act. All license fees and renewal fees paid to the
1982 department pursuant to this section shall be deposited in the General
1983 Fund.

1984 Sec. 27. Subsection (g) of section 20-331 of the general statutes is
1985 repealed and the following is substituted in lieu thereof (*Effective October*
1986 *1, 2026*):

1987 (g) The Automotive Glass Work and Flat Glass Work Board shall
1988 consist of eight members who shall be residents of this state, one of
1989 whom shall be a general contractor or an unlimited contractor licensed
1990 to perform automotive glass work under this chapter, one of whom shall
1991 be a general contractor or an unlimited contractor licensed to perform
1992 flat glass work under this chapter, one of whom shall be an unlimited
1993 contractor licensed to perform automotive glass work under this
1994 chapter, one of whom shall be an unlimited contractor licensed to
1995 perform flat glass work under this chapter, one of whom shall be an
1996 unlimited journeyman licensed to perform flat glass work under this
1997 chapter and three of whom shall be public members. The initial
1998 members appointed under this subsection need not be licensed to
1999 perform such work under this chapter before January 1, 2001, provided
2000 such initial members shall satisfy the applicable criteria set forth in

2001 subsection [(e)] (f) of section 20-334a of the general statutes, revision of
2002 1958, revised to January 1, 2001. On and after January 1, 2001, each
2003 member appointed under this subsection shall be licensed as provided
2004 in this subsection.

2005 Sec. 28. Subsection (l) of section 10-145b of the 2026 supplement to the
2006 general statutes is repealed and the following is substituted in lieu
2007 thereof (*Effective October 1, 2026*):

2008 (l) [Upon application to the State Board of Education for the issuance
2009 of any certificate in accordance with this section and section 10-145d,
2010 there shall be paid to the board by or on behalf of the applicant two
2011 hundred fifty dollars in the case of an applicant for a provisional
2012 educator certificate and three hundred seventy-five dollars in the case
2013 of an applicant for a professional educator certificate, except that
2014 applicants for certificates for teaching adult education programs
2015 mandated under subparagraph (A) of subsection (a) of section 10-69
2016 shall pay a fee of one hundred dollars; persons eligible for a certificate
2017 or endorsement for which the fee is less than that applied for shall
2018 receive an appropriate refund; persons not eligible for any certificate
2019 shall receive a refund of the application fee minus fifty dollars; and
2020 persons holding standard or permanent certificates on July 1, 1989, who
2021 apply for professional certificates to replace the standard or permanent
2022 certificates, shall not be required to pay such a fee. Upon application to
2023 the State Board of Education for the issuance of a subject area
2024 endorsement there shall be paid to the board by or on behalf of such
2025 applicant a nonreturnable fee of one hundred dollars.] No fee shall be
2026 required for an application to the State Board of Education [in the case
2027 of an initial educator certificate] for the issuance of a certificate, a
2028 temporary certificate or a subject area endorsement under this section.
2029 With each request for a duplicate copy of any such certificate or
2030 endorsement there shall be paid to the board a nonreturnable fee of fifty
2031 dollars.

2032 Sec. 29. (NEW) (*Effective October 1, 2026*) Any municipality may, upon

2033 approval by its legislative body or, in a municipality where the
 2034 legislative body is a town meeting, by vote of the board of selectmen,
 2035 provide an exemption from property tax of up to thirty per cent of the
 2036 assessed value attributable to an accessory apartment, as defined in
 2037 section 8-1a of the general statutes, for which construction is completed
 2038 on or after the date such municipality approves the exemption under
 2039 this section. Such exemption shall be applicable for the assessment year
 2040 of such completion and for the five succeeding assessment years
 2041 thereafter, except that such exemption shall not apply for an assessment
 2042 year during which the accessory apartment was, at any time during such
 2043 assessment year, (1) used as a short-term rental, as defined in section 12-
 2044 408h of the general statutes, or (2) occupied by the owner of the property
 2045 or a member of the owner's immediate family, as defined in section 1-79
 2046 of the general statutes.

2047 Sec. 30. Sections 359, 363 and 364 of public act 25-168 are repealed.
 2048 (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-217(b)
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2026</i>	12-263q(a) and (b)
Sec. 4	<i>July 1, 2026, and applicable to calendar quarters commencing on or after July 1, 2026</i>	12-263s(b)
Sec. 5	<i>from passage and applicable to taxable years commencing on or after January 1, 2026</i>	New section
Sec. 6	<i>July 1, 2026</i>	New section
Sec. 7	<i>July 1, 2026, and applicable to taxable years commencing on or after January 1, 2026</i>	12-701(a)(20)(B)
Sec. 8	<i>from passage</i>	4-30a(a)

Sec. 9	<i>from passage</i>	PA 25-168, Sec. 42
Sec. 10	<i>from passage</i>	PA 25-168, Sec. 43
Sec. 11	<i>July 1, 2026</i>	PA 25-168, Sec. 472
Sec. 12	<i>July 1, 2026</i>	New section
Sec. 13	<i>July 1, 2026</i>	20-432(a) to (c)
Sec. 14	<i>October 1, 2026</i>	20-12j
Sec. 15	<i>October 1, 2026</i>	20-86g
Sec. 16	<i>October 1, 2026</i>	20-206mm(c)
Sec. 17	<i>October 1, 2026</i>	20-74h
Sec. 18	<i>October 1, 2026</i>	19a-88(a) to (c)
Sec. 19	<i>October 1, 2026</i>	19a-12d
Sec. 20	<i>October 1, 2026</i>	20-195c
Sec. 21	<i>October 1, 2026</i>	20-195o
Sec. 22	<i>October 1, 2026</i>	20-195cc
Sec. 23	<i>October 1, 2026</i>	20-333
Sec. 24	<i>October 1, 2026</i>	20-334a
Sec. 25	<i>October 1, 2026</i>	20-334e
Sec. 26	<i>October 1, 2026</i>	20-335
Sec. 27	<i>October 1, 2026</i>	20-331(g)
Sec. 28	<i>October 1, 2026</i>	10-145b(l)
Sec. 29	<i>October 1, 2026</i>	New section
Sec. 30	<i>from passage</i>	Repealer section

Statement of Purpose:

To implement the Governor's budget recommendations.

[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.]