OFA Fiscal Note

State Impact:

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Fund-Effect</th>
<th>FY 19 $</th>
<th>FY 20 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Revenue Services</td>
<td>GF - Revenue Gain</td>
<td>At least 300,000</td>
<td>At least 300,000</td>
</tr>
<tr>
<td>Connecticut Lottery Corporation</td>
<td>Lottery Enterprise Fund - Cost</td>
<td>Approx. 100,000</td>
<td>Approx. 100,000</td>
</tr>
</tbody>
</table>

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes a number of changes relating to the Department of Revenue Services’ policies and procedures which are outlined in detail below:

Section 1 authorizes the Commissioner of Revenue Services to charge a fee of up to $100 to cover reasonable expenses incurred in the performance of various agency functions. This is anticipated to result in a revenue gain of less than $50,000 annually.

Sections 2 & 3 amend various definitions related to Sales and Use Tax collections. To the extent this increases sales tax compliance, this results in a revenue gain.

Section 4 lowers the threshold for Connecticut Lottery Corporation (CLC) offsets for delinquent taxes from $5,000 in winnings to $2,000.
This results in an estimated revenue gain of $300,000 annually to the General Fund beginning in FY 19, as well as an ongoing annual cost to the CLC of approximately $100,000 beginning in FY 19 for salary and fringe costs.¹

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

*Sources:* Connecticut Lottery Corporation Testimony

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¹ Based on current CLC claims statistics, it is estimated that the lower threshold will result in approximately 1,000 new claims each year at CLC headquarters.