

OFFICE OF FISCAL ANALYSIS

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sSB-746

AN ACT ESTABLISHING THE ROBERTA B. WILLIS SCHOLARSHIP ACCOUNT AND CREATING A BUSINESS TAX CREDIT.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 20 \$ | FY 21 \$ |
|--|-----------------------------|-----------------|------------------|
| Revenue Serv., Dept. | GF - Potential Revenue Loss | None | Up to 27 million |
| Higher Ed., Off.; Higher Education Constituent Units | GF - Potential Revenue Gain | None | See Below |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes a tax credit against the Corporation Business Tax for certain corporate donations, results in a potential General Fund revenue loss of up to \$27 million as early as FY 21 and a potential revenue gain to the Roberta B. Willis Scholarship account.

The bill establishes a tax credit equal to 50% of amounts donated to the Roberta B. Willis Scholarship account up to a cap of \$27 million in total credits awarded. To the extent such eligible donations are made, there is a General Fund revenue loss of up to \$27 million. The actual amount and timing of the revenue loss is dependent upon the amount and timing of any credit-eligible donations.

The bill results in a potential revenue gain to the Roberta B. Willis Scholarship account and a potential revenue gain in state financial aid revenue to the higher education constituent units, beginning in FY 21. It is anticipated that any donations to the account received in FY 20

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will be disbursed by the Office of Higher Education to the constituent units and other eligible institutions in FY 21. The amount of the potential revenue gain in any fiscal year to the account and the constituent units is indeterminate as it is dependent on the total amount of donations received.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the \$27 million cap in total tax credits allowed under the bill.