

OFFICE OF FISCAL ANALYSIS

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sHB-5027

AN ACT REQUIRING THE BANKING COMMISSIONER TO ESTABLISH A FIRST-TIME HOMEBUYER SAVINGS ACCOUNT PROGRAM AND ESTABLISHING A TAX DEDUCTION FOR CONTRIBUTIONS TO FIRST-TIME HOMEBUYER SAVINGS ACCOUNTS.

As Amended by House "A" (LCO 9745)

House Calendar No.: 85

Senate Calendar No.: 544

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Revenue Services	GF - Cost	None	Less than 100,000
Department of Revenue Services	GF - Revenue Loss	None	None
Treasurer	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes a first-time homebuyer savings account program and associated income tax deduction, results in: 1) a General Fund revenue loss of less than \$150,000 in FY 24 and less than \$75,000 in FY 25.

The bill also results in a one-time cost to the Department of Revenue Services of less than \$100,000 for form preparation and printing/ mailing costs, as well as updates to the online Taxpayer Service Center and internal Integrated Tax Administration System in FY 23 only.

Primary Analyst: CW
Contributing Analyst(s):
Reviewer: MM

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Finally, the bill results in a potential cost to the Office of the State Treasurer to extent that the fund established in Section 4 receives revenues. To the extent funds are deposited into the newly established "Financial Literacy Trust Fund," the Treasurer would expend such funds for financial literacy programs.

House "A" strikes the underlying bill and associated fiscal impact and results in the impacts described above.

The Out Years

The revenue loss would grow in FY 26 and beyond subject to program utilization rates. The bill could result in a revenue loss approaching \$500,000 by FY 31.