

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-5464

AN ACT ESTABLISHING A TAX CREDIT FOR PROVIDERS OF
CLINICAL NURSING EXPERIENCES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Revenue Services	GF - Revenue Loss	None	Up to 1.5 million
Public Health, Dept.	GF - Cost	160,000	164,800
State Comptroller - Fringe Benefits ¹	GF - Cost	66,000	68,100
Department of Revenue Services	GF - Cost	Up to 100,000	None
Board of Regents for Higher Education	Various - Potential Savings	See Below	See Below

Note: GF=General Fund; Various=Various

Municipal Impact: None

Explanation

The bill, which establishes an income tax credit for preceptors that is administered by the Department of Public Health (DPH), results in: 1) a General Fund revenue loss of up to \$1.5 million annually beginning in FY 23, 2) a cost of \$226,000 in FY 22 and \$232,900 in FY 23 associated with salary and fringe benefit costs for two Financial Examiner positions within DPH, and 3) a one-time cost of up to \$100,000 to the Department of Revenue Services in FY 23 only for updates to the online Taxpayer Service Center and internal Integrated Tax

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

Administration System.

The bill prohibits preceptors who apply for the tax credit from charging participating nursing students, or the students' colleges and universities, for the preceptorship. To the extent this provision results in any reduction or elimination of preceptorship charges, there is a potential savings to the Board of Regents institutions. For example, Southern Connecticut State University's family nurse practitioners program would experience an annual savings of up to \$20,000, the estimated total spent on nursing preceptors. The bill results in no fiscal impact to the University of Connecticut because it does not pay for nursing preceptorships.

The Out Years

The annualized ongoing cost impact identified above would continue into the future subject to inflation. The revenue impact identified above would continue into the future subject to the \$1.5 million annual aggregate cap on credits allowed under the bill.