

# OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

HB-6435

AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP  
TAX CREDIT TO PASS-THROUGH ENTITIES.

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Revenue Serv., Dept.	GF - Revenue Loss	Up to 1.4 million	Up to 1.4 million
Revenue Serv., Dept.	GF - Cost	Less than 100,000	None

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill, which allows pass-through entities to claim manufacturing apprenticeship tax credits against the personal income tax or pass-through entity tax, results in a revenue loss of up to \$1.4 million annually beginning in FY 22. This also results in a one-time cost of less than \$100,000 in FY 22 to the Department of Revenue Services associated with updates to the online Taxpayer Service Center to allow pass-through entities to claim the credit on their tax forms.

This is based on data indicating there are currently 6,510 registered apprentices, of which approximately 200 are in manufacturing trades.

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuation in the number of manufacturing apprentices.

Sources: Connecticut Department of Labor

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

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*Connecticut State Apprenticeship Council 2/19/21 meeting minutes*