

OFFICE OF FISCAL ANALYSIS

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

HB-6688

AN ACT CONCERNING A HIGHWAY USE FEE. AMENDMENT

LCO No.: 10534

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Revenue Serv., Dept.	TF - Revenue Gain	320 million	320 million
Revenue Serv., Dept.	GF - Revenue Loss	320 million	320 million

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact: None

Explanation

The amendment results in a (1) revenue gain to the Special Transportation Fund (STF) of approximately \$320 million annually and (2) a revenue loss of the same amount per fiscal year to the General Fund by transferring the following revenue to the GF from the STF:

- sales tax collections associated with the 6.35% general sales tax on motor vehicle repair services, any motor vehicle part and transportation services. This transfer provides \$245 million annually to the STF.
- 32.1% (or 3 percentage points) of the 9.35% rental car sales tax collections. This transfer provides \$75 million to the STF annually.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General

Primary Analyst: EW
Contributing Analyst(s):

6/8/21
()

Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.