

# OFFICE OF FISCAL ANALYSIS

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

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HB-5401

AN ACT EXEMPTING COVID-19 AT-HOME TEST KITS FROM THE SALES AND USE TAXES.

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## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Revenue Serv., Dept.	Various - Revenue Loss	Up to \$2 million	Up to \$2 million

Note: Various=Various

**Municipal Impact:** None

### **Explanation**

The bill results in an estimated revenue loss of up to \$ 2 million to the state by exempting COVID-19 at-home test kits from the sales and use tax. By fund, the revenue loss is anticipated to be \$1.7 million to the General Fund and \$200,000 each to the Special Transportation Fund and the Municipal Revenue Sharing Account.<sup>1</sup>

The annual revenue loss may increase or decrease based upon the status of and the response to COVID-19, including but not limited to potential future surges in cases; testing requirements for work, school, or travel; and availability of free testing.

### **The Out Years**

The annualized ongoing revenue loss identified above will continue into the future subject to the level of demand for at-home test kits.

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<sup>1</sup> By statute, 0.5 percentage points of the 6.35% rate (or 7.87% of collections) is deposited into the Special Transportation Fund and Municipal Revenue Sharing Account each. The remaining 5.35% percentage points (or 84.25%) is deposited into the General Fund.