

OFFICE OF FISCAL ANALYSIS

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sHB-5473

AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' RECOMMENDATIONS FOR TAX ADMINISTRATION AND REVISIONS TO THE TAX AND RELATED STATUTES.

As Amended by House "A" (LCO 5729)

House Calendar No.: 463

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Department of Revenue Services	GF - Precludes Revenue Loss	4.3 million	7.8 million
Department of Revenue Services	GF - Revenue Gain	Potential	Potential
Department of Revenue Services	GF - Savings	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which makes numerous tax administration-related changes, results in the following fiscal impacts:

Section 4 results in a potential savings by capping at \$5 million the amount of interest (a) added to any tax refund issued by the Department of Revenue Services (DRS) commissioner for a tax period and (b) that a court may award in any tax appeal in connection with a tax refund claim for a tax period.

Section 20, which makes a clarifying change to the personal income tax credit for certain real estate conveyance taxes paid, precludes General Fund revenue losses estimated at \$4.3 million in FY 23, \$7.8M in FY 24, \$9.7M in FY 25, \$5.4 million in FY 26, and \$1.9 million in FY 27.

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Sections 21-30 and 35 result in a potential revenue gain to the extent they result in additional collections from delinquent taxpayers.

House "A" eliminates provisions relating to: 1) the sale of outstanding debt, and 2) out-of-state-debt collections, which eliminates potential revenue gains.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future.