

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No.: Senate Bill 11
AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S
Title: BUDGET.
Vote Date: 4/6/2022
Vote Action: Joint Favorable Substitute
PH Date: 3/30/2022
File No.: 608

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SPONSORS OF BILL:

Governor Ned Lamont, Pursuant to Joint Rule 9

REASONS FOR BILL:

The bill makes various tax- and revenue-related changes to the Fiscal Year (FY) 23 midterm budget adjustments, including:

- increases to the property tax credit;
- acceleration of the phase-in of the pension and annuity income tax exemption;
- establishment of a personal income tax exemption for amounts received under the 2020 and 2021 Earned Income Tax Credit (EITC) enhancement program;
- amendments to the state's employer student loan tax credit;
- reduction of the FY 23 transfer to the General Fund from designated American Rescue Plan Act (ARPA) funds;
- use of certain ARPA funds for federal revenue collections;
- allowances for foreign captive and establishment of an insurance premiums tax amnesty program for captive insurers; and
- repeal of the law requiring the Office of Policy and Management (OPM) secretary to create a plan to establish a state-level child tax credit if certain changes to the federal child tax credit occur.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Jeffrey Beckham, Acting Secretary, Office of Policy Management](#) supported this bill as a mechanism to keep Connecticut in the sound financial position it enjoyed at the end of Fiscal Year 21.

[Josh Hershman, Deputy Commissioner, Connecticut Insurance Department](#) supported the revisions to the state's captive insurance laws.

NATURE AND SOURCES OF SUPPORT:

[Randy Collins, Advocacy Manager, Connecticut Conference of Municipalities \(CCM\)](#) supported the expanded property tax - from \$200 to \$300 - in Section 1 of the bill.

[Jeanette Weldon, Executive Director, Connecticut Higher Education Supplemental Loan Authority \(CHESLA\)](#) supported Section 3 of this bill, which allows small businesses to claim a tax credit for payments on CHESLA loans.

[Connecticut REALTORS](#) supported Section 1 of the bill, which provides full eligibility for property tax relief for Connecticut residents.

[Patrick O'Brien, PhD, Research and Policy Fellow, Connecticut Voices for Children](#) supported the expanded property tax credit in Section 1 of the bill.

[Mike DeFeo, General Manager, Coca-Cola Hartford](#) supported an acceleration and increase to the return of unclaimed beverage container deposits to distributors.

[Bree Dietly, American Beverage Association](#) supported an acceleration and increase to the return of unclaimed beverage container deposits to distributors, and offered substitute language to implement a more aggressive return of unclaimed deposits to beverage distributors.

[Nora Duncan, State Director, American Association of Retired Persons \(AARP CT\)](#) supported the reduced tax burdens as outlined in Sections 1 and 2 of this bill, which would allow older residents to stay and retire in the state.

[Puya Gerami, Director, Recovery for All](#) supported Section 1 of this bill, which provides property tax relief for Connecticut residents, but would like to see an extension of EITC in Section 2.

NATURE AND SOURCES OF OPPOSITION:

[Ken Girardin, Director of Policy and Research, Yankee Institute](#) opposed this bill because it increased spending and did not provide meaningful tax relief.

Reported by: Brendan Civitello

Date: 4/18/22