

OFFICE OF FISCAL ANALYSIS

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

HB-5506

AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2023, CONCERNING PROVISIONS RELATED TO REVENUE, SCHOOL CONSTRUCTION AND OTHER ITEMS TO IMPLEMENT THE STATE BUDGET AND AUTHORIZING AND ADJUSTING BONDS OF THE STATE.

AMENDMENT

LCO No.: 6335

OFA Fiscal Note

See Fiscal Note Details

The amendment makes various revenue and appropriations changes to the bill as amended, which produce the estimated balance table below.

Fund	FY 23 \$			
	Revenue	Approp.	Surplus/ (Deficit)	Balance After Revenue Cap
General	22,213.2	21,889.2	324.0	46.4
Special Transportation	1,957.2	1,826.2	131.0	106.6
Other Funds	281.1	280.7	0.4	0.4
TOTAL	24,451.5	23,996.0	455.4	153.3

A listing of the revenue changes is provided in the table below.

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Contributing Analyst(s):

5/2/22
(FN)

Revenue Changes from HB 5506, as amended						
Policy	Fund	FY 22	FY 23	FY 24	FY 25	FY 26
Undo EITC rate increase	GF	0.0	0.0	49.0	49.0	49.0
Undo CTC	GF	0.0	125.0	0.0	0.0	0.0
Undo "JobsCT"	GF	0.0	0.0	0.0	40.0	40.0
Undo XL Center transfer of future sports wagering revenues	GF	0.7	1.3	1.3	1.3	1.3
Undo restoring a Sales Tax exemption for certain water companies	GF	0.0	3.3	3.3	3.3	3.3
Undo exemption from the gross receipts tax on natural gas	GF	0.0	1.3	1.3	1.3	1.3
Undo limiting liability for repayment of incarceration costs	GF	0.0	5.4	5.4	5.4	5.4
Lower the 5% marginal income tax rate to 4%	GF	0.0	(386.6)	(396.3)	(406.2)	(416.3)
Temporarily reduce the general sales tax rate to 5.99%	GF	0.0	(152.9)	0.0	0.0	0.0
Establish a meals tax holiday	GF	0.0	(25.6)	0.0	0.0	0.0
Transfer FY 22 revenues to FY 23	GF	(253.8)	253.8	0.0	0.0	0.0
	GF Total	(253.1)	(175.0)	(336.0)	(305.9)	(316.0)
Undo restoring a Sales Tax exemption for certain water companies	STF	0.0	0.3	0.3	0.3	0.3
Expand the Motor Fuels tax holiday through Dec 31, 2022	STF	0.0	(30.0)	0.0	0.0	0.0
Provide a Diesel tax holiday	STF	0.0	(60.0)	0.0	0.0	0.0
Repeal Highway Use Tax	STF	0.0	(45.0)	(90.0)	(94.1)	(98.3)
	STF Total	0.0	(134.7)	(89.7)	(93.8)	(98.0)
	Grand Total	(253.1)	(309.7)	(425.7)	(399.7)	(414.0)

Additionally, the amendment establishes a new bond covenant for FY 23 - FY 24 issuances covering FY 23 through FY 28, which is not anticipated to have a fiscal impact as it continues current law.

The amendment increases the targeted FY 23 General Fund savings amount under the CREATES program by \$200 million.

The amendment reduces funds being carryforward from FY 22 into FY 23 by \$61.6 million.

The amendment increases the American Rescue Plan Act allocation for support for the Unemployment Compensation Trust Fund by \$224.8 million. This is partially offset by reductions or eliminations of 17 allocations totaling \$518 million. The net impact is a reduction in total ARPA funding allocated by \$293.2 million.

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 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.