

OFFICE OF FISCAL ANALYSIS

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sHB-6919

AN ACT ESTABLISHING A TAX CREDIT FOR CERTAIN PRE-BROADWAY AND POST-BROADWAY THEATER PRODUCTIONS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Revenue Serv., Dept.	GF - Revenue Loss	None	Up to 10 million
Department of Economic & Community Development	GF - Cost	23,750	47,500
State Comptroller - Fringe Benefits ¹	GF - Cost	15,255	20,340
Revenue Serv., Dept.	GF - Cost	None	Up to 75,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes a tax credit for certain pre- and post-Broadway productions, results in (1) a General Fund revenue loss of up to \$10 million annually beginning in FY 25, (2) an annualized cost of \$67,840 to the Department of Economic and Community Development (DECD), and (3) a one-time cost of up to \$75,000 to the Department of Revenue Services (DRS).

Cost Impact Details

The bill results in an annualized cost of \$67,840 to DECD to

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

administer the tax credit for theater productions.

It is anticipated that DECD would require a 0.5 FTE position at an annualized cost of \$47,500 in salary and \$20,340 in fringe benefit costs to provide administrative oversight of the program, including the processing of applications for initial certification and final certification, as well as conduct any auditing necessary for an application for final certification of the credit.

Additionally, the bill results in a one-time cost of up to \$75,000 to DRS in FY 25 for programming updates to the CTax tax administration system and myconneCT online portal, and for form modification for multiple tax types.²

The Out Years

The annualized ongoing cost impact identified above would continue into the future subject to inflation. The revenue impact identified above would continue into the future subject to the \$10 million cap on total credits allowed annually under the bill.

² Under the bill, the credit can be claimed against the personal income, corporation business, insurance premiums, and utility companies taxes.