

# OFFICE OF FISCAL ANALYSIS

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

sHB-6921

AN ACT CONCERNING THE AMOUNT OF THE APPRENTICESHIP  
TAX CREDIT FOR THE CONSTRUCTION TRADES AND  
APPRENTICESHIP REPORTING DATA.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Revenue Serv., Dept.	GF - Revenue Loss	None	150,000
Labor Dept.	GF - Cost	17,147	70,301
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	7,342	30,103

Note: GF=General Fund

**Municipal Impact:** None

### **Explanation**

The bill, which increases the maximum tax credit allowed for each construction trade apprentice under the apprenticeship training tax credit program, results in a General Fund revenue loss of approximately \$150,000 annually beginning in FY 25.

The bill also requires sponsors of a registered apprenticeship program to annually submit specified information (with their registration fee) to the Department of Labor (DOL), which results in a cost of \$24,489 in FY 24 (partial year) and \$100,404 in FY 25.

The Office of Apprenticeship Training within DOL would require one Processing Technician to process, verify, and potentially adjust the

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<sup>1</sup>The 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.

information required under the bill from each of the approximately 1,700 employers and over 6,400 apprentice registration renewal transactions the agency receives annually. The annualized cost of this position is \$70,301 for salary and \$30,103 for fringe benefits.

***The Out Years***

The annualized ongoing revenue impact identified above would continue into the future subject to the number of construction trade apprentices. The annualized ongoing cost impact identified above would continue into the future subject to inflation.