

OFFICE OF FISCAL ANALYSIS

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HB-6925

AN ACT EXEMPTING CHILDREN'S CLOTHING AND FOOTWEAR, PERSONAL PROTECTIVE EQUIPMENT AND JOB-RELATED AND PERSONNEL TRAINING SERVICES FROM THE SALES AND USE TAXES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Revenue Serv., Dept.	Various - Revenue Loss	See Below	See Below

Note: Various=Various

Municipal Impact: None

Explanation

The bill results in a total state revenue loss of \$13.5 million annually by exempting (1) children's clothing and footwear, (2) personal protective equipment, and (3) personnel training services from the sales and use tax. The table below provides the annual revenue loss by good/service and by fund.¹

Revenue Impact of HB 6925

In Millions

Good/Service	General Fund	Special Transportation Fund	Municipal Revenue Sharing Account	Total
Children's Clothing and Footwear	(6.7)	(0.6)	(0.6)	(8.0)

¹ By statute, 0.5 percentage points of the 6.35% rate (or 7.87% of collections) is deposited into the Special Transportation Fund and Municipal Revenue Sharing Account each. The remaining 5.35% percentage points (or 84.25%) is deposited into the General Fund.

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Good/Service	General Fund	Special Transportation Fund	Municipal Revenue Sharing Account	Total
Personal Protective Equipment	(1.7)	(0.2)	(0.2)	(2.0)
Personnel Training Services	(2.9)	(0.3)	(0.3)	(3.5)
Total Impact	(11.4)	(1.1)	(1.1)	(13.5)

The Out Years

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