

# OFFICE OF FISCAL ANALYSIS

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SB-420

AN ACT ESTABLISHING A TAX CREDIT FOR EMPLOYERS WHO HIRE PERSONS WITH DISABILITIES.

## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 24 \$</b>	<b>FY 25 \$</b>
Aging and Disability Services, Dept.	GF - Appropriation	1 million	None
Department of Developmental Services	GF - Appropriation	1 million	None
Department of Revenue Services	GF - Revenue Loss	None	Less than 75,000
Department of Revenue Services	GF - Cost	None	Up to 150,000

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The bill, which establishes a job creation tax credit program for employers who hire certain new qualifying employees with disabilities, results in (1) a General Fund revenue loss of less than \$75,000 annually beginning in FY 25, and (2) a one-time cost of up to \$150,000 in FY 25 for programming updates to the CTax tax administration system and myconneCT online portal, and for form modification for multiple tax types.<sup>1</sup>

**Section 2** appropriates \$1 million each to the departments of Aging

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<sup>1</sup> Under the bill, employers may apply the credit, with certain limitations, against the insurance premium, corporation business, utility, or personal income tax, but not the withholding tax.

and Disability Services and Developmental Services in FY 24 to expand employment support services for people with disabilities.

sHB 6659, the FY 24 and FY 25 budget bill, as favorably reported by the Appropriations Committee, did not include any funding for this purpose. Consequently, the bill would result in the budget being under the spending cap by \$12.2 million (rather than \$14.2 million) in FY 24.

***The Out Years***

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