

## APPENDIX L: Budget and Finance Related Legislation

Public Act	Title/Description
<b>Budget Act</b>	
<b>PA 18 - 81</b> (SB 543)	<p data-bbox="277 317 1393 380"><b>AN ACT CONCERNING REVISIONS TO THE STATE BUDGET FOR FISCAL YEAR 2019 AND DEFICIENCY APPROPRIATIONS FOR FISCAL YEAR 2018.</b></p> <p data-bbox="277 415 1393 548">The act includes: (1) General Fund appropriations of \$18,998.2 million in FY 19, (2) appropriations in ten funds totaling \$20,855.4 million in FY 19, (3) revenue estimates adopted by the Finance Committee on May 9, 2018, as adjusted to reflect new policies in this act; and (4) various other provisions.</p>
<b>Bond Act</b>	
<b>PA 18-178</b> (HB 5590)	<p data-bbox="277 604 1393 758"><b>AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, CONCERNING THE BOND CAPS, ESTABLISHING THE APPRENTICESHIP CONNECTICUT INITIATIVE AND CONCERNING THE FUNCTIONS OF CTNEXT AND CONNECTICUT INNOVATIONS, INCORPORATED.</b></p> <p data-bbox="277 793 1393 926">The act authorizes up \$182 million in general obligation (GO) bonds taking effect in FY 19 for state capital projects and grant programs, including state information technology projects, economic development, municipal capital improvement grants, and school security grants. It cancels or reduces approximately \$466.3 million in GO bond authorizations.</p> <p data-bbox="277 961 1393 1094">The act establishes a limit on Special Tax Obligation (STO) bond issuances backed by the Special Transportation Fund of \$750 million for each of FY 19 and FY 20. It allows use of GO bonds for up to \$250 million of transportation projects for each of CY 18 and CY 19. No changes to STO authorization levels were made in the bill.</p> <p data-bbox="277 1129 1393 1283">Besides changes to overall authorization levels, the bill obligates specified amounts of previously authorized funds for the Economic Development and Manufacturing Assistance Act (MAA) and school construction reimbursements. The bill establishes and/or modifies programmatic requirements of several state functions, including those of CTNext and Connecticut Innovations, Inc.</p>

Public Act	Title/Description
<b>Finance Related Legislation</b>	
<b>PA 18 - 49</b> (SB 11)	<p data-bbox="285 308 1393 464"><b>AN ACT CONCERNING AN AFFECTED BUSINESS ENTITY TAX, VARIOUS PROVISIONS RELATED TO CERTAIN BUSINESS DEDUCTIONS, THE ESTATE AND GIFT TAX IMPOSITION THRESHOLDS, THE TAX TREATMENT OF CERTAIN WAGES AND INCOME AND A STUDY TO IDENTIFY BEST PRACTICES FOR MARKETING THE BENEFITS OF QUALIFIED OPPORTUNITY ZONES.</b></p> <p data-bbox="285 499 1393 594">The General Assembly passed PA 18-49 to address the impact of federal tax reform (Tax Cuts and Jobs Act of 2017) on Connecticut. PA 18-49 includes three provisions with budgetary impact, described below.</p> <p data-bbox="285 600 1393 663"><b>Corporate “De-coupling”</b> Federal provisions establishing alternative depreciation and asset expensing schedules by corporations for tax purposes is disallowed.</p> <p data-bbox="285 699 1393 825"><b>Adjusted Phase-in of the Federal Estate Tax exemption</b> The exemption of the federal Estate Tax threshold increases from approximately \$5.5 million to \$11.2 million. Connecticut’s response is to adjust the scheduled phase-in of the Estate and Gift Tax threshold to the federal threshold.</p> <p data-bbox="285 861 1393 1056"><b>Establishment of a New Pass-Through Entity Tax (PET)</b> A new federal cap of \$10,000 on state and local tax (SALT) deductions for federal income tax purposes has a disproportionate impact on Connecticut taxpayers. In response, Connecticut has established a budget-neutral PET which supplants state personal income taxes on pass-through income. The effect is to move state personal income taxes out from under the new federal cap on SALT deductions and thereby provide certain Connecticut taxpayers with federal income tax relief.</p>