

PART III. REVENUE

Revenue Impact of Policy Changes included in the FRB Revenue Schedule In Millions of Dollars

Enacting Authority	Policy	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$	FY 27 \$
General Fund						
Personal Income Tax						
Secs. 360-365 and 448 of PA 23-204	Adjust the Pass-through Entity Tax	-	(2.7)	(6.0)	(6.0)	(6.0)
Sec. 376 of PA 23-204	Reduce Certain Marginal Income Tax Rates	-	(166.8)	(370.4)	(384.8)	(402.3)
Sec. 377 of PA 23-204	Eliminate the "Benefits Cliff" for Pensions and Annuities' Exemption from the Personal Income Tax	-	(16.0)	(32.0)	(32.0)	(32.0)
Sec. 377 of PA 23-204	Eliminate the "Benefits Cliff" for Individual Retirement Accounts' Exemption from the Personal Income Tax	-	(5.1)	(13.3)	(19.8)	(23.9)
	Subtotal	-	(190.6)	(421.7)	(442.6)	(464.2)
Sales and Use Tax						
Secs. 352-353 of PA 23-204	Temporarily Increase the Redemption Rate of Film and Digital Media Production Tax Credits Against the Sales and Use Tax	-	(2.2)	(4.3)	-	-
Sec. 380 of PA 23-204	Provide a Sales Tax Exemption for Narcan	-	-	-	-	-
	Subtotal	-	(2.2)	(4.3)	-	-
Corporation Tax						
Secs. 347-349 of PA 23-204	Extend the Temporary Corporate Tax Surcharge	-	80.0	50.0	20.0	-
Secs. 350-351 of PA 23-204	Expand the Human Capital Investment Tax Credit	-	(2.1)	(3.5)	(3.5)	(3.5)
Secs. 377 and 379 of PA 23-204	Allow Otherwise Federally Disallowed Business Expense Deductions for Cannabis	-	(4.7)	(6.2)	(9.6)	(11.4)
Sec. 372 of PA 23-204	Establish a Tax Credit for Certain Pre-Broadway and Post-Broadway Theater Productions	-	(2.5)	(2.5)	(2.5)	(2.5)
Secs. 57-28 of PA 23-137	Establish State Tax Breaks for Contributions to ABLE Accounts	-	-	(1.0)	(1.0)	(1.0)

Enacting Authority	Policy	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$	FY 27 \$
Sec. 354 of PA 23-204	Allow certain corporations who own LLCs to claim the fixed capital investment tax credit for amounts the LLC invested in qualifying fixed capital	-	-	-	(3.0)	(3.0)
	Subtotal	-	70.7	36.8	0.4	(21.4)
Public Service Companies Tax						
Sec. 358 of PA 23-204	Restore Funding to the Connecticut Television Network (CT-N)	-	(0.6)	(0.6)	(0.6)	(0.6)
Sec. 357 of PA 23-204	Change the Taxes Against Which Historic Homes Rehabilitation Tax Credits May Be Claimed	-	-	3.0	3.0	3.0
	Subtotal	-	(0.6)	2.4	2.4	2.4
Refunds of Taxes						
Secs. 355-356 of PA 23-204	Eliminate the Angel Investor Tax Credit for Cannabis Businesses	-	12.5	15.0	15.0	15.0
Sec. 161 of PA 23-205	Establish a Tax Credit for Cash Contributions to a Youth Development Organization	-	(2.5)	(2.5)	-	-
Secs. 196-197 of PA 23-205	Establish State Tax Breaks for Contributions to ABLE Accounts	-	-	(0.1)	(0.1)	(0.1)
Sec. 357 of PA 23-204	Change the Taxes Against Which Historic Homes Rehabilitation Tax Credits May Be Claimed	-	-	(3.0)	(3.0)	(3.0)
	Subtotal	-	10.0	9.4	11.9	11.9
Earned Income Tax Credit						
Sec. 378 of PA 23-204	Increase the State's Earned Income Tax Credit (EITC) Rate	-	(44.6)	(44.6)	(44.6)	(44.6)
	Subtotal	-	(44.6)	(44.6)	(44.6)	(44.6)
	TAXES Subtotal	-	(157.3)	(422.0)	(472.5)	(515.9)
Transfers-Special Revenue						
Secs. 93-97 and 419 of PA 23-204	Eliminate the Transfer of iLottery Revenues to the Debt Free Community College Account	-	2.0	3.0	7.5	12.5

Enacting Authority	Policy	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$	FY 27 \$
	Subtotal	-	2.0	3.0	7.5	12.5
Licenses, Permits and Fees						
Secs. 3-6 of PA 23-171	Recognize Revenue from Establishing a Pharmaceutical Representative Licensing Program (to be Administered by the Department of Consumer Protection)	-	0.2	0.2	0.2	0.2
Secs. 12-14 of PA 23-101	Adjust Licensure Fees for Social Workers (SWs), Marital and Family Therapists (MFTs), and Professional Counselors and the Renewal Schedule for MFT Associates	-	(0.7)	(0.7)	(0.7)	(0.7)
	Subtotal	-	(0.5)	(0.5)	(0.5)	(0.5)
Rents, Fines and Escheats						
Sec. 373 of PA 23-204	Adjust Unclaimed Bottle Deposit Requirements	-	-	(3.2)	(10.0)	(19.4)
	Subtotal	-	-	(3.2)	(10.0)	(19.4)
Miscellaneous						
Secs. 89 and 445 of PA 23-204	Recognize General Fund Recovery of Fringe Benefit Costs due to Restructuring Higher Education Fringe Benefits	-	(85.0)	(85.0)	(85.0)	(85.0)
N/A	Recognize General Fund Recovery of Additional Fringe Benefit Costs (in the Insurance Fund) due to an Expansion of Staffing in the Office of Health Strategy	-	0.2	0.2	0.2	0.2
	Subtotal	-	(84.8)	(84.8)	(84.8)	(84.8)
	OTHER Revenue Subtotal	-	(83.3)	(85.5)	(87.8)	(92.2)
Federal Grants						
N/A	Recognize Federal Revenue Gain Attributable to Expenditure Changes	-	40.3	47.3	46.2	46.2
	Subtotal	-	40.3	47.3	46.2	46.2
Transfers from/ (to) Other Funds						
Sec. 449 of PA 23-204	Eliminate Use of ARPA for FY 23 Revenue Replacement	(314.9)	-	-	-	-

Enacting Authority	Policy	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$	FY 27 \$
Secs. 29-30 and 381 of PA 23-204	Eliminate Planned Revenue Set Asides to Extinguish the Generally Accepted Accounting Principles (GAAP) Deficit as the GAAP Bonds are Retired	-	120.8	120.8	120.8	120.8
Sec. 383 of PA 23-204	Shift Municipal Grant Funding to the Municipal Revenue Sharing Fund	-	(115.8)	(104.9)	-	-
Sec. 382 of PA 23-204	Credit FY 24 General Fund Revenues to FY 25	-	(95.0)	95.0	-	-
Sec. 138 of PA 23-204	Provide Grants to Certain Native American Tribes	-	(0.06)	(0.06)	(0.06)	(0.06)
Sec. 384 of PA 23-204	General Fund Transfers to the Cannabis Regulatory Fund	-	(10.1)	(10.3)	-	-
Sec. 385 of PA 23-204	General Fund Transfers to the Tourism Fund	-	(2.9)	(1.3)	-	-
Sec. 38 of PA 23-204	Increase Funding for Municipal Grants via the Mashantucket Pequot and Mohegan Fund	-	(1.0)	(1.0)	(1.0)	(1.0)
	Subtotal	(314.9)	(104.06)	98.24	119.74	119.74
	OTHER SOURCES Subtotal	(314.9)	(63.76)	145.54	165.94	165.94
Volatility Cap Adjustment						
Technical Adjustment	Adjust the Pass-through Entity Tax	-	2.2	4.8	4.8	4.8
Technical Adjustment	Reduce Certain Marginal Income Tax Rates	-	16.7	37.0	38.0	41.7
	Subtotal	-	18.9	41.8	42.8	46.5
	Grand Total GF	(314.9)	(285.46)	(320.16)	(351.56)	(395.66)
Special Transportation Fund						
Sales and Use Tax						
Sec. 380 of PA 23-204	Provide a Sales Tax Exemption for Narcan	-	-	-	-	-
	Subtotal	-	-	-	-	-
Motor Fuels Tax						
Sec. 367 of PA 23-204	Temporarily Freeze the Diesel Tax Rate	-	(37.2)	-	-	-
	Subtotal	-	(37.2)	-	-	-
Oil Companies Tax						
Secs. 368-371 of PA 23-204	Exempt Aviation Fuel from the Petroleum Gross Earnings Tax and Temporarily Offset	-	(3.2)	(3.1)	(3.1)	(3.0)

Enacting Authority	Policy	FY 23 \$	FY 24 \$	FY 25 \$	FY 26 \$	FY 27 \$
	CT Airport and Aviation Account Revenue Loss with Transfers					
	Subtotal	-	(3.2)	(3.1)	(3.1)	(3.0)
Transfers from / (to) Other Funds						
Secs. 368-371 of PA 23-204	Exempt Aviation Fuel from the Petroleum Gross Earnings Tax and Temporarily Offset CT Airport and Aviation Account Revenue Loss with Transfers	-	(8.0)	(8.0)	-	-
	Subtotal	-	(8.0)	(8.0)	-	-
	Grand Total STF ***	-	(48.4)	(11.1)	(3.1)	(3.0)
Mashantucket Pequot and Mohegan Fund						
Sec. 138 of PA 23-204	Provide Grants to Certain Native American Tribes	-	0.06	0.06	0.06	0.06
Sec. 38 of PA 23-204	Increase Funding for Municipal Grants via the Mashantucket Pequot and Mohegan Fund	-	1.0	1.0	1.0	1.0
	Grand Total MF	-	1.06	1.06	1.06	1.06
Municipal Revenue Sharing Fund						
Transfers from / (to) Other Funds						
Sec. 400 of PA 23-204	Shift Municipal Grant Funding to the Municipal Revenue Sharing Fund	-	115.8	104.9	-	-
	Subtotal	-	115.8	104.9	-	-
Sales and Use Tax						
Secs. 73-74 of PA 23-204	Re-assign the 0.5% portion of the general sales and use tax rate from the Municipal Revenue Sharing Account (MRSA) to the (appropriated) Municipal Revenue Sharing Fund	-	458.5	469.5	480.7	492.2
	Subtotal	-	458.5	469.5	480.7	492.2
	Grand Total MRSF	-	574.3	574.4	480.7	492.2

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Cannabis Regulatory Fund						
Transfers from / (to) Other Funds						
Sec. 384 of PA 23-204	General Fund Transfers to the Cannabis Regulatory Fund	-	10.1	10.3	-	-
	Grand Total CRF	-	10.1	10.3	-	-
Tourism Fund						
Transfers from / (to) Other Funds						
Sec. 385 of PA 23-204	General Fund Transfers to the Tourism Fund	-	2.9	1.3	-	-
	Grand Total Tourism	-	2.9	1.3	-	-
GRAND TOTAL (ALL APPROPRIATED FUNDS)		(314.9)	254.5	255.8	127.1	94.6