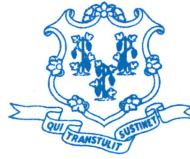


OFFICE OF POLICY AND MANAGEMENT

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OFFICE OF FISCAL ANALYSIS

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January 15, 2015

Governor Dannel P. Malloy
Lieutenant Governor Nancy S. Wyman
Senator Martin M. Looney
Representative Brendan J. Sharkey
Senator Leonard A. Fasano
Representative Themis Klarides
Senator John W. Fonfara
Representative Jeffrey J. Berger

Ladies and Gentlemen:

Pursuant to Section 2-36c of the Connecticut General Statutes, the Office of Policy and Management and the Office of Fiscal Analysis have met and have arrived at consensus revenue estimates for the current FY 13-15 biennium and next three ensuing fiscal years which are attached hereto.

If you have any questions, please feel free to contact us.

A handwritten signature in blue ink, appearing to read "Benjamin Barnes", written over a horizontal line.

Benjamin Barnes
Secretary
Office of Policy and Management

A handwritten signature in blue ink, appearing to read "Robert Wysock", written over a horizontal line.

Robert Wysock
Acting Director
Office of Fiscal Analysis

cc: Comptroller Kevin Lembo

State of Connecticut
Consensus Revenue
January 15, 2015
(in millions)

General Fund

<u>Taxes</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Personal Income Tax	\$ 9,264.5	\$ 9,748.6	\$ 10,304.7	\$ 10,893.7
Sales & Use	4,226.2	4,251.0	4,431.1	4,609.0
Corporation	734.3	627.3	669.8	639.8
Public Service	299.1	308.0	316.5	325.1
Inheritance & Estate	173.0	177.4	182.7	188.5
Insurance Companies	256.2	237.2	239.7	243.9
Cigarettes	354.4	336.7	320.5	306.1
Real Estate Conveyance	186.9	194.7	200.8	207.8
Oil Companies ¹	-	-	-	7.1
Alcoholic Beverages	60.7	61.2	61.6	61.9
Admissions & Dues	38.3	38.7	40.0	40.4
Health Provider Tax	478.1	479.9	482.0	485.9
Miscellaneous	65.5	20.9	21.4	21.9
Total Taxes	\$ 16,137.2	\$ 16,481.6	\$ 17,270.8	\$ 18,031.1
Refund of Taxes	(1,115.1)	(1,165.2)	(1,214.9)	(1,266.9)
Earned Income Tax Credit	(120.7)	(138.4)	(144.9)	(151.7)
R&D Credit exchange	(6.8)	(7.1)	(7.4)	(7.8)
Total Taxes Less Refunds	\$ 14,894.6	\$ 15,170.9	\$ 15,903.6	\$ 16,604.7
 <u>Other Revenue</u>				
Transfers-Special Revenue	\$ 325.1	\$ 329.8	\$ 339.3	\$ 349.2
Indian Gaming Payments	267.5	260.7	254.3	190.8
Licenses, Permits, Fees	266.7	295.9	273.3	300.7
Sales of Commodities	43.5	44.6	45.8	47.1
Rents, Fines, Escheats	118.4	119.9	121.8	123.8
Investment Income	0.6	2.8	5.9	7.5
Miscellaneous	161.9	163.7	165.8	167.9
Refund of Payments	(72.9)	(74.2)	(75.1)	(75.9)
Total Other Revenue	\$ 1,110.8	\$ 1,143.2	\$ 1,131.1	\$ 1,111.1
 <u>Other Sources</u>				
Federal Grants	\$ 1,238.4	\$ 1,298.1	\$ 1,322.0	\$ 1,329.8
Transfer From Tobacco Fund	120.0	86.1	83.0	61.8
Transfers From/ (To) Other Funds	14.6	(212.7)	(222.7)	(222.7)
Transfers to the Resources of the Special Transportation Fund ¹	(18.8)	(38.2)	(17.6)	-
Total Other Sources	\$ 1,354.2	\$ 1,133.3	\$ 1,164.7	\$ 1,168.9
 Total General Fund Revenues	 <u>\$ 17,359.6</u>	 <u>\$ 17,447.4</u>	 <u>\$ 18,199.4</u>	 <u>\$ 18,884.7</u>

State of Connecticut
Consensus Revenue
January 15, 2015
(in millions)

Special Transportation Fund

<u>Taxes</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Motor Fuels Tax	\$ 506.3	\$ 502.0	\$ 499.8	\$ 497.2
Oil Companies Tax ¹	360.3	339.1	359.7	377.3
Sales Tax - DMV	83.1	84.0	85.0	85.9
Refunds of Taxes	<u>(7.1)</u>	<u>(7.2)</u>	<u>(7.4)</u>	<u>(7.6)</u>
Total-Taxes Less Refunds	\$ 942.6	\$ 917.9	\$ 937.1	\$ 952.8
<u>Other Sources</u>				
Motor Vehicle Receipts	\$ 244.6	\$ 245.8	\$ 246.6	\$ 247.4
Licenses, Permits, Fees	138.8	139.2	139.9	140.5
Interest Income	7.3	7.8	8.6	9.6
Federal Grants	12.1	12.1	12.1	12.1
Transfers From/ (To) Other Funds	(21.5)	146.3	156.3	156.3
Transfers from the Resources of the General Fund ¹	18.8	38.2	17.6	-
Refunds of Payments	<u>(3.6)</u>	<u>(3.7)</u>	<u>(3.8)</u>	<u>(3.9)</u>
Total Other Revenues	\$ 396.5	\$ 585.7	\$ 577.3	\$ 562.0
Total STF Revenues	<u>\$ 1,339.1</u>	<u>\$ 1,503.6</u>	<u>\$ 1,514.4</u>	<u>\$ 1,514.8</u>

Notation

¹ By way of reference, the figures for FY 2016 - FY2018 reflect transfer amounts stipulated pursuant to section 13-61a(b) and (c) of the General Statutes. Because oil companies revenue is projected to be insufficient to meet those transfers, section 13-61a(c) requires that such shortfall be addressed via a transfer from the resources of the General Fund to the Special Transportation Fund (STF); those transfers are reflected in the tables above. However, section 13-61a(d) of the General Statutes establishes an alternative calculation to determine transfers to the STF. Utilizing the alternative calculation, the above line items would be reported as follows:

General Fund	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Oil Companies Tax	\$ 32.7	\$ 34.7	\$ 37.1
Transfers to the Resources of the Special Transportation Fund	\$ -	\$ -	\$ -
Total General Fund Revenue	\$ 17,518.3	\$ 18,251.7	\$ 18,914.7
Special Transportation Fund			
Oil Companies Tax	\$ 306.4	\$ 325.0	\$ 347.3
Transfers from the Resources of the General Fund	\$ -	\$ -	\$ -
Total Special Transportation Fund Revenue	\$ 1,432.7	\$ 1,462.1	\$ 1,484.8

In summary, under this alternative calculation projected General Fund revenues would be higher by \$70.9 million in FY 2016, \$52.3 million in FY 2017, and \$30.0 million in FY 2018. There would be a corresponding decrease to the Special Transportation Fund of \$70.9 million in FY 2016, \$52.3 million in FY 2017, and \$30.0 million in FY 2018.