2951

FISCAL NOTE(Form 1)
(Office of Fiscal Analysis)
Analyst: LM 5/28/92
kr
Version: 3

BILL NUMBER: SB 2014
FILE NUMBER:
AMENDMENTS: Senate "A" & "B"

Passed

TITLE: "AN ACT MAKING CERTAIN AMENDMENTS AND CORRECTIONS TO THE PERSONAL INCOME, GIFT, SALES AND USE, MOTOR VEHICLE FUELS AND CORPORATION BUSINESS TAXES AND THE ECONOMIC RECOVERY FUND ENACTED OR AMENDED IN 1991"

FAVORABLY REPORTED BY Emergency Certification

EFFECTIVE DATE: Upon Passage and applicable to 1992 income years and thereafter

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 2014

STATE IMPACT	Revenue Gain, Minimal Revenue Loss, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Department of Revenue Services

EXPLANATION OF ESTIMATES:

A net revenue gain of $1 million is expected from (1) disallowing the deduction of expenses connected with income which is exempt from Connecticut taxation and (2) allowing deduction of expenses connected with income which is exempt from federal taxation but taxable for Connecticut purposes.

Because the Department of Revenue Services has sent out estimated payment forms and indicated that it will not send out new forms for the 1992 income year, changing the percentage of estimated tax payments for nonwithheld income is expected to have no fiscal impact on June 1992 estimated payments. A minimal revenue loss is expected in FY 93 because fewer taxpayers will be assessed interest and penalties.

The revenue impact from applying the interest rate of 1.25% to tax underpayments due to mathematical errors cannot be determined because it is unclear at present how the Department of Revenue Services will apply interest to these returns under current law.

The impact of allowing taxpayers to request a refund of state income tax after the normal three-year period has expired is expected to be minimal.

No revenue impact is expected from requiring the add-back of any Connecticut income tax deductible in computing federal AGI, limiting moving expense exclusion to the federally-deductible amount, and requiring the add-back of lump sum distributions to beneficiaries as these provisions conform the statutes to current practice of the Department of Revenue Services.

Senate "A" has no fiscal impact.

Senate "B" precludes a minimal revenue loss for FY 93.