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FISCAL NOTE(Form 1)  
(Office of Fiscal Analysis)  
Analyst: *SLM 5/28/92*  
las  
Version: 15

BILL NUMBER: SB 2015  
FILE NUMBER:  
AMENDMENTS: Senate "A" - "I"

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

FAVORABLY REPORTED BY Emergency Certification

EFFECTIVE DATE: Upon Passage

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 2015

STATE IMPACT See explanation below  
MUNICIPAL IMPACT See explanation below  
STATE AGENCY(S) Various

EXPLANATION OF ESTIMATES:

STATE IMPACT: The following is the General Fund revenue impact of the bill as amended:

	FY93	FY94
	(\$million)	
Sec 11		
Change in treatment of Inter Vivos trusts (Because trust activity in the state is expected to decline if no change is made, the revenue loss is zero in FY94 and becomes a small gain in FY95.) (effective 1/1/93)	(1.0)	0
Sec 14		
Estimated payment required when tax due on nonwithheld income exceeds \$200 (effective 1/1/92)	(2.0) (one time)	
Sec 17-19		
Exempt parking lots owned or leased by employers for use of employees (effective 7/1/92)	(0.2)	(0.2)
Apply Sales Tax to sports, except swimming, provided by government, nonprofit hospitals and charitable or religious organizations and exempt admissions to facilities owned by governmental entities (effective 7/1/92)	1.5	1.5

Senate "I" exempts golf services at municipally owned golf courses prior to 1/1/93	(1.0)	
Exempt charges subject to Admissions or Dues Taxes (effective 7/1/92)	(5.0)	(5.0)
Exempt massage therapist services from the Sales Tax (effective 7/1/92)	(0.0)	(0.2)
Exempt land surveyor services from the Sales Tax (effective 7/1/92)	(1.0)	(1.0)
Sec 24 Exempt commercial vehicles carrying more than 16 people (effective 7/1/92)	(0.4)	(0.4)
Sec 25-27 Require out-of-state boat purchasers to sign an affidavit regarding residency (effective 7/1/92)	(0.5)	(0.5)
Exempt aviation fuel from the Sales Tax at 2.5% (effective 7/1/92)	(0.8)	(0.9)
Exempt aviation repair parts and service (effective 7/1/93)		(9.8)
Sec 30 Authorize simulcasting facility at Bridgeport Dog Track	0.8	3.0
Sec 31 Authorize pool wagering	0.7	3.6
Sec 34 Apply Sales Tax to car wash services provided at no charge by petroleum retailers (effective 7/1/92)	0.3	0.3
Sec 35-39 Authorize electronic funds transfer	0.3	0.6

The following are impacts of other provisions in the bill as amended (The section numbers refer to the bill as amended by Senate "A". Where other amendments change a section number, the fiscal impact is noted under the amendment letter and not the section number.):

Sec 1  
The Class C bingo permit will result in a minimal revenue gain to the state from the \$50 permit fee.

Secs 2-8

The bill as amended could result in a minimal revenue gain to the State of \$200 from the fee of \$100 for a Class 7 raffle permit. There are two towns (Glastonbury and Windham) celebrating the 300th anniversary of their incorporation in FY 1992-93 and are therefore eligible for this permit.

Secs 35-39

Permitting the Department of Revenue Services to require the electronic transfer of funds for taxpayers with tax liability over \$500,000 implements a provision in the budget. It will facilitate the State Treasurer's investment of such funds and increase investment earnings or decrease the need to incur short-term interests costs. The costs associated with implementing this activity are provided in SA 92-13 (the Appropriations Act).

Sec 30

There are personal service costs of \$110,000 for 6 full-time and 16 part-time positions to staff the simulcasting facility at the Bridgeport Dog Race Track.

Sec 15

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 FY93 because fewer taxpayers will be assessed interest and penalties.

Sec 16

A minimal revenue loss is expected from removing the minimum \$50 penalty since the Commissioner of Revenue Services has the power to waive penalties under \$100. A minimal revenue gain is anticipated from adding a \$50 minimum penalty for failure to file.

Sec 12

Requiring nonresident married couples who file jointly for federal income tax purposes to also file jointly for state purposes has no fiscal impact as it formalizes a current practice of the Department of Revenue Services.

Sec 24

Changing the definition of transportation services for the Sales Tax to include providers authorized by the Interstate Commerce Commission prevents a revenue loss which is likely to occur if only firms licensed in state are subject to the tax.

Secs 20-23

Clarifying the definition of taxable sales and gross receipts for property management services under the Sales Tax precludes a potential significant revenue loss.

Senate "B" results in a minimal revenue loss with respect to the bill as amended by Senate "A" and no revenue impact with respect to current law, due to a recent court decision.

Sec 27

Imposing the Use Tax on raw materials used in building components subsequently brought into and used in state precludes a potential revenue loss.

Sec 40

Minimal administrative cost is anticipated for the Department of Revenue Services related to requests for filing for extension of any State tax deadline signed by another individual on the taxpayer's behalf.

Sec 10

Clarifying that lodging houses are not subject to the Local Property Tax surcharge has no fiscal impact.

Sec 13

Specifying that nonresidents engaging only in purchasing or selling intangible property or stock option contracts in the state are not subject to the Personal Income Tax is current practice and has no fiscal impact.

Sec 33

No revenue loss is expected from reducing examination fees for professional engineers and land surveyors because the current fee is seen as prohibitive and individuals are electing not to retake the exam. A minimal revenue gain is possible if more people take the reexamination.

Sec 45

There is a minimal state revenue gain/municipal loss as a result of validating actions in Old Lyme regarding the Elderly Tax Freeze Program due to the processing fee of \$50.

Senate "D" will result in a minimal cost to the State Comptroller which is within budgetary resources.

Senate "E" precludes a potential revenue gain from an audit of purchases made during the period identified.

Senate "F" will result in a potential revenue loss because taxpayers may find it easier to avoid payment of the Sales Tax on horticultural and landscape purchases. There is also an administrative cost to the Department of Revenue Services for increased audit activity because it will be more difficult to document taxable purchases.

Senate "H" will result a potentially significant revenue loss since terms like "bunker fuel oil" and "intermediate fuel" are not defined in the amendment. There is a significant administrative cost to the Department of Revenue Services to audit the exemptions.

Senate "C" has no fiscal impact.

MUNICIPAL IMPACT: There will be a revenue gain to Bridgeport of \$20,750 in FY 92-93 (for a quarter year) and \$83,000 in FY 93-94 for the simulcasting facility in the Bridgeport Dog Race Track.

Permitting pool wagering will increase revenue to municipalities in which OTB facilities are located by \$30,560 in FY 92-93 and \$190,000 in FY 93-94. Such towns receive 1% of the handle.

Those municipalities which allow bingo activity under a Class C annual bingo permit or are eligible for a Class 7 raffle permit to commemorate the celebration of the 100th anniversary (or any multiple thereof) will realize a small revenue gain.

Validating various municipal actions results in cost avoidance since it precludes court challenges to tax bills.

Senate "G" is anticipated to result in a minimal revenue loss to municipalities which list such aircraft on their grand list.

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