

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-5356

AN ACT CONCERNING PANDEMIC PAY FOR ESSENTIAL WORKERS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Comptroller	GF - Cost	\$750 million	See Below
Department of Revenue Services	GF - Precludes Revenue Gain	None	\$21.4 million

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill appropriates \$750 million to the Pandemic Pay for Essential Workers program. The Comptroller will incur costs to administer the program. The bill specifies up to 5% of the funds can be used to support administrative costs (\$37.5 million).

The bill specifies that any payments made to recipients under the program are exempt from the state personal income tax, which precludes a revenue gain estimated at \$21.4 million in FY 24.¹

sHB 5037, the revised FY 23 budget bill, as favorably reported by the Appropriations Committee, is under the spending cap by \$4.6 million in FY 23. The appropriation contained in the bill would result in the budget being over the spending cap by \$745.4 million in FY 23.

¹ This estimate assumes program payments would be fully disbursed by December 31, 2023 and reportable as federally taxable income for the 2023 income year.

The Out Years

The bill appropriates funding for FY 23 upfront for use until all funding is distributed.