

OFFICE OF FISCAL ANALYSIS

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sSB-98

AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP TAX CREDIT TO PASS-THROUGH ENTITIES.

As Amended by Senate "A" (LCO 5848)

House Calendar No.: 532

Senate Calendar No.: 400

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Department of Revenue Services	GF - Revenue Loss	5 million	5 million
Department of Revenue Services	GF - Cost	Less than 100,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which allows businesses to claim manufacturing apprenticeship tax credits against the pass-through entity tax, results in a revenue loss of approximately \$5 million annually beginning in FY 23. This also results in a one-time cost of less than \$100,000 in FY 23 to the Department of Revenue Services associated with updates to the online Taxpayer Service Center to allow pass-through entities to claim the credit on their tax forms.

This is based on data from the Department of Labor indicating there are currently 6,304 registered apprentices, of which approximately 500 are in manufacturing trades.

Senate "A" eliminates provisions allowing the credit's application against the personal income tax.

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Contributing Analyst(s):

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The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuation in the number of manufacturing apprentices.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

Sources: Connecticut Department of Labor
Connecticut State Apprenticeship Council