

OFFICE OF FISCAL ANALYSIS

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HB-5506

AN ACT ADJUSTING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2023, CONCERNING PROVISIONS RELATED TO REVENUE, SCHOOL CONSTRUCTION AND OTHER ITEMS TO IMPLEMENT THE STATE BUDGET AND AUTHORIZING AND ADJUSTING BONDS OF THE STATE.

AMENDMENT

LCO No.: 6365

OFA Fiscal Note

See Fiscal Note Details

The amendment makes various revenue and appropriations changes to the bill as amended, which produce the estimated balance table below:

Fund	FY 23 \$			
	Revenue	Approp.	Surplus/ (Deficit)	Balance After Revenue Cap
General	22,363.6	21,998.6	365.0	85.4
Special Transportation	1,986.9	1,826.2	160.7	135.9
Other Funds	281.1	280.7	0.4	0.4
TOTAL	24,631.6	24,105.5	526.1	221.7

A listing of the revenue changes is provided in the table below.

Revenue Changes from HB 5506, as amended - in millions

Policy	Fund	FY 22	FY 23	FY 24	FY 25	FY 26
FY 22 to FY 23 Transfer	GF	(550.0)	550.0	-	-	-
Lower the 5% marginal income tax rate to 4%	GF	-	(386.6)	(396.3)	(406.2)	(416.3)

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Policy	Fund	FY 22	FY 23	FY 24	FY 25	FY 26
Temporarily reduce the general sales tax rate to 5.99%	GF	(49.8)	(152.9)	-	-	-
Establish a meals tax holiday	GF	(8.3)	(25.6)	-	-	-
GF Total		(608.1)	(15.1)	(396.3)	(406.2)	(416.3)
Expand the Motor Fuels tax holiday through Dec 31, 2022	STF	-	(30.0)	-	-	-
Reduce diesel tax by 20 cents/gallon	STF	(8.7)	(30.0)	-	-	-
Temporarily reduce the general sales tax rate to 5.99%	STF	(2.3)	(9.5)	-	-	-
Repeal Highway Use Tax	STF	-	(45.0)	(90.0)	(94.1)	(98.3)
STF Total		(11.0)	(114.5)	(90.0)	(94.1)	(98.3)
Grand Total		(619.1)	(129.6)	(486.3)	(500.3)	(514.6)

Additionally, the amendment establishes a new bond covenant for FY 23 - FY 24 issuances covering FY 23 through FY 28, which is not anticipated to have a fiscal impact as it continues current law.

The amendment also increases the targeted FY 23 General Fund savings amount under the CREATES program by \$90.5 million.

The amendment results in a net reduction of \$35.8 million in total American Rescue Plan Act funds allocated. It does so by increasing allotments for the Unemployment Compensation Fund by \$224.8 million and General Fund revenue replacement by \$82.3 million while decreasing allotments for Outdoor Recreation by \$22.5 million, Replacement of Infrastructure Match by \$150 million, and Invest Connecticut by \$170.4 million.

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.