

OFFICE OF FISCAL ANALYSIS

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sSB-1137

AN ACT CONCERNING SHORT-TERM RENTAL FACILITATORS
AND PROPERTIES.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 24 \$	FY 25 \$
Various Municipalities	Revenue Gain	None	See Below
Various Municipalities	Cost	Potential	Potential

Explanation

The bill (1) allows municipalities to levy a tax of up to 2% of the rent collected by a short-term rental facilitator and (2) hire consultants to assist in developing ordinances and regulations for short-term rental properties. This would result in a revenue gain to municipalities beginning in FY 25 that choose to levy the tax. The amount of revenue gain to each such municipality would vary based on the tax rate and the income realized by short term rental facilitators. The bill would also result in a potential cost beginning in FY 24 to any municipality that votes to hire a consultant.

Any revenue gain would be partially offset by the cost of administering the tax. As municipalities do not currently levy an income tax, it is unclear how they would do so under the bill's provisions.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in short-term rental prices,

occupancy, the tax, and the number of qualifying rental properties.