

OFFICE OF FISCAL ANALYSIS

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HB-5512

AN ACT CONCERNING A STUDY OF STATE REVENUE
COLLECTIONS.

AMENDMENT

LCO No.: 6136

File Copy No.: 545

House Calendar No.: 371

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the underlying bill and its associated fiscal impact. The fiscal impacts of the amendment are described below.

Section 1 clarifies the applicability of an additional deduction for certain combined groups affected by combined reporting. This does not result in any fiscal impact.

Sections 2 - 3 increase special tax obligation (STO) bond authorizations by \$10 million for the commercial rail freight lines program. To the extent the bonds are fully allocated and spent, this results in an additional \$761,000 in debt service for FY 25 and \$15.3 million total after FY 26.

Section 4 adjusts an allowance for a school building project in HB 5524. The impact will be based on municipal decisions and timing, as outlined below.

If an application is submitted prior to October 1, 2024, after October 1, 2026, or not submitted, there is no additional fiscal impact, as the impact was described in HB 5224.

If an application is submitted between October 1, 2024 and October 1, 2026, there would be a revenue gain to Ansonia of approximately \$92

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million in future years. As the school construction program is supported by General Obligation bonds, there would be a future debt service cost to the General Fund of approximately \$131 million.

Section 5 exempts taxpayers from paying interest on underpayments of certain taxes if the underpayment was due to an amended return filing necessitated by Internal Revenue Service (IRS) guidance on the federal employee retention credit (IRS Notice 2021-20). This results in a minimal General Fund revenue loss as early as FY 25.

Section 6 makes changes to the cost and market impact review process administered by the Office of Health Strategy's Health Systems Planning Unit, which does not result in a fiscal impact.

Section 7 results in a potential revenue gain to the General Fund, as it allows the Office of Health Strategy to impose a penalty of up to \$250,000 per week to short-term acute care general hospitals that terminate emergency department services without approval.

Section 8 potentially precludes a revenue gain to the state by extending by ten months the time allowed for cannabis producers that paid the reduced conversion fee to create two joint equity ventures before being liable to pay the full conversion fee.

Section 9 alters the basis for the assessment that funds the Insurance Department and various other agencies, which has no fiscal impact because it does not change the total amount of revenue to be collected.

Section 10 makes modifications to procedures relating to the State Historic Preservation Officer's project reviews which have no fiscal impact.

Section 11 provides additional exemptions under certain conditions to certain records related to investigation of law enforcement and results in no fiscal impact to the state or municipalities.

Section 12 changes the existing practice for appointment of a Corrections Ombuds, and result in no fiscal impact to the state or

municipalities. The amendment defines the role of the legislature in the hiring process of the Corrections Ombuds and requires that the governor appoint someone to that position by July 1st 2024. This is expected to be completed within existing appropriations.

Section 13 removes a provision exempting certain law enforcement records from disclosure under the Freedom of Information Act and results in no fiscal impact to the state or municipalities.

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.