

OFFICE OF FISCAL ANALYSIS

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sHB-7240

AN ACT ESTABLISHING A CREDIT AGAINST THE PERSONAL
INCOME TAX FOR OWNERS OF FAMILY CHILD CARE HOMES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Revenue Serv., Dept.	GF - Revenue Loss	None	0.9 million
Revenue Serv., Dept.	GF - Cost	None	Up to 75,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which establishes a \$500 refundable personal income tax¹ credit for taxpayers who own a state-licensed family child care home, results in a (1) General Fund revenue loss of approximately \$0.9 million annually beginning in FY 27 and (2) one-time cost of up to \$75,000 in FY 27 associated with programming updates to the CTax tax administration system and myconneCT online portal.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to fluctuation in the number of qualifying child care homes.

¹ If the taxpayer is an S corporation or treated as a partnership for federal income tax purposes, the taxpayer's shareholders and partners may claim the credit. If the taxpayer is a single member limited liability company (LLC) that is disregarded for federal tax purposes, the LLC's owner may claim the credit as long as the owner is subject to the personal income tax.