

## VI. REVENUE

### Overview

In the General Fund, the budget includes various policy changes that yield additional net revenue (taxes plus other revenue) increases of \$802.1 million in FY 16 and \$664.4 million in FY 17 identified in the table below.

#### General Fund Revenue Changes by Source (in millions)

Revenue Source	FY 16 \$	FY 17 \$	FY 18 \$	FY 19 \$	FY 20 \$
Personal Income	169.3	158.9	167.3	177.5	190.1
Sales & Use	(94.3)	(293.3)	(537.4)	(557.3)	(577.4)
Corporations	258.1	222.8	200.3	162.8	147.8
Health Provider	224.8	229.8	229.9	230.0	230.1
Insurance Companies	22.7	22.7	-	-	-
Inheritance and Estate	(4.0)	(8.0)	(8.0)	(8.0)	(8.0)
Admissions and Dues	(0.4)	(0.4)	-	-	-
Alcoholic Beverages	0.5	0.5	0.5	0.5	0.5
Cigarettes	24.5	42.8	37.6	35.3	33.2
Miscellaneous Taxes	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Oil Companies	-	-	(7.1)	(41.0)	(58.1)
Earned Income Tax Credit	11.0	11.0	-	-	-
Less Refunds	39.0	75.0	75.0	75.0	75.0
<b>Total Taxes</b>	<b>651.1</b>	<b>461.7</b>	<b>158.0</b>	<b>74.8</b>	<b>33.1</b>
Licenses, Permits and Fees	2.7	2.3	2.3	2.3	2.3
Miscellaneous	2.5	2.5	2.5	2.5	2.5
Transfer Special Revenue	13.6	30.0	30.0	30.0	30.0
<b>Total Other Revenue</b>	<b>18.8</b>	<b>34.8</b>	<b>34.8</b>	<b>34.8</b>	<b>34.8</b>
Federal Grants	(40.4)	(45.9)	(48.3)	(50.9)	(46.2)
Transfer from Tobacco Settlement	17.0	17.0	6.0	6.0	6.0
Transfers From/To Other Funds	155.6	196.9	118.2	118.2	118.2
<b>Total Other Sources</b>	<b>132.2</b>	<b>168.0</b>	<b>75.9</b>	<b>73.3</b>	<b>78.0</b>
<b>TOTAL GENERAL FUND</b>	<b>802.1</b>	<b>664.4</b>	<b>268.7</b>	<b>182.8</b>	<b>145.9</b>

The budget yields an additional estimated net tax revenue gain of \$0.9 billion each year of the biennium. This revenue includes the new Municipal Revenue Sharing Account (MRSA), which provides grants to municipalities.

Over three fiscal years, the budget diverts up to 1.0% of the state's Sales and Use Tax from the General Fund equally to the Special Transportation Fund and MRSA.

### Tax Changes by Source (in millions)

Description	FY 16 \$	FY 17 \$	FY 18 \$	FY 19 \$	FY 20 \$
<b>General Fund</b>					
<b>Taxes</b>					
Personal Income	169.3	158.9	167.3	177.5	190.1
Sales and Use	(94.3)	(293.3)	(537.4)	(557.3)	(577.4)
Corporations	258.1	222.8	200.3	162.8	147.8
Health Provider	224.8	229.8	229.9	230.0	230.1
Insurance Companies	22.7	22.7	-	-	-
Admissions and Dues	(0.4)	(0.4)	-	-	-
Alcoholic Beverages	0.5	0.5	0.5	0.5	0.5
Cigarettes	24.5	42.8	37.6	35.3	33.2
Inheritance and Estate	(4.0)	(8.0)	(8.0)	(8.0)	(8.0)
Miscellaneous Taxes	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Oil Companies	-	-	(7.1)	(41.0)	(58.1)
Earned Income Tax Credit	11.0	11.0	-	-	-
Less Refunds	39.0	75.0	75.0	75.0	75.0
<b>General Fund Total</b>	<b>651.1</b>	<b>461.7</b>	<b>158.0</b>	<b>74.8</b>	<b>32.1</b>
<b>Special Transportation Fund</b>					
<b>Taxes</b>					
Oil Companies	-	-	7.1	41.0	58.1
Sales and Use	158.6	260.6	361.6	375.0	388.5
<b>Special Transportation Fund Total</b>	<b>158.6</b>	<b>260.6</b>	<b>368.7</b>	<b>416.0</b>	<b>446.6</b>
<b>MRSA</b>					
<b>Taxes</b>					
Sales and Use	105.7	221.9	361.6	375.0	388.5
<b>MRSA Total</b>	<b>105.7</b>	<b>221.9</b>	<b>361.6</b>	<b>375.0</b>	<b>388.5</b>
<b>TOTAL TAXES</b>	<b>915.4</b>	<b>944.2</b>	<b>888.3</b>	<b>865.8</b>	<b>868.2</b>

## Sales Tax Revenue Diversions

### Municipal Revenue Sharing Account

The budget (PA 15-244, as adjusted by PA 15-5 JSS) requires a monthly transfer of a portion of the sales tax generated into the Municipal Revenue Sharing Account (MRSA), based on the rates in the table below. The general sales and use tax rate, from which the diversion occurs, remains at 6.35%.

#### MRSA Diversion Rate Schedule

Months Commencing On or After	Percentage Point
January 1, 2016 - April 30, 2017	0.30%
May 1, 2017 - June 30, 2017	0.40%
July 1, 2017 and thereafter	0.50%

The following table provides the estimated diversions by month.

#### Estimated Sales Tax Diversions to MRSA (in millions)

MRSA Diversion	FY 16 \$	FY 17 \$	FY 18 \$	FY 19 \$	FY 20 \$
<b><i>Budgeted Target</i></b>	<b>105.7</b>	<b>221.9</b>			
July	-	17.5	30.1	31.2	32.4
August	-	17.5	30.1	31.2	32.4
September	-	17.5	30.1	31.2	32.4
October	-	17.5	30.1	31.2	32.4
November	-	17.5	30.1	31.2	32.4
December	-	17.5	30.1	31.2	32.4
January	17.6	17.5	30.1	31.2	32.4
February	17.6	17.5	30.1	31.2	32.4
March	17.6	17.5	30.1	31.2	32.4
April	17.6	17.5	30.1	31.2	32.4
May	17.6	23.3	30.1	31.2	32.4
June	17.6	23.3	30.1	31.2	32.4
<b>Total by Year</b>	<b>105.7</b>	<b>221.9</b>	<b>361.6</b>	<b>375.0</b>	<b>388.5</b>
<b>Total Cumulative Transfer</b>	<b>105.7</b>	<b>327.6</b>	<b>689.2</b>	<b>1,064.2</b>	<b>1,452.7</b>
<b>Transfer Rates</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.5%</b>		

## Special Transportation Fund

The budget (PA 15-244, as adjusted by PA 15-5 JSS) requires a monthly transfer of a portion of the sales tax generated into the Special Transportation Fund (STF) based on the rates in the table below. The general sales and use tax rate, from which the diversions occur, remains at 6.35%.

### STF Diversion Rate Schedule

Months Commencing On or After	Percentage Point
October 1, 2015 - September 30, 2016	0.30%
October 1, 2016 - June 30, 2017	0.40%
July 1, 2017 and thereafter	0.50%

The following table provides the estimated diversions by month.

### Estimated Sales Tax Diversions to STF (in millions)

STF Diversion	FY 16 \$	FY 17 \$	FY 18 \$	FY 19 \$	FY 20 \$
<b>Budgeted Target</b>	<b>158.6</b>	<b>260.6</b>			
July	-	17.4	30.1	31.2	32.4
August	-	17.4	30.1	31.2	32.4
September	-	17.4	30.1	31.2	32.4
October	17.6	23.1	30.1	31.2	32.4
November	17.6	23.1	30.1	31.2	32.4
December	17.6	23.1	30.1	31.2	32.4
January	17.6	23.1	30.1	31.2	32.4
February	17.6	23.1	30.1	31.2	32.4
March	17.6	23.1	30.1	31.2	32.4
April	17.6	23.1	30.1	31.2	32.4
May	17.6	23.1	30.1	31.2	32.4
June	17.6	23.2	30.1	31.2	32.4
<b>Total</b>	<b>158.6</b>	<b>260.6</b>	<b>361.6</b>	<b>375.0</b>	<b>388.5</b>
<b>Total Cumulative Transfer</b>	<b>158.6</b>	<b>419.2</b>	<b>780.8</b>	<b>1,155.8</b>	<b>1,544.3</b>
<b>Transfer Rates</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.5%</b>		

**FY 16 and FY 17 All Appropriated Funds Revenue Summary  
(in thousands)**

Item	FY 16 \$	FY 17 \$
<b>Taxes</b>		
Personal Income Tax	9,834,400	10,357,200
Sales & Use Tax	4,121,065	4,084,665
Corporation Tax	902,200	910,700
Public Service Tax	308,000	316,500
Inheritance & Estate Tax	173,400	174,700
Insurance Companies Tax	243,800	246,000
Cigarettes Tax	361,200	363,300
Real Estate Conveyance Tax	194,700	200,800
Oil Companies Tax	-	-
Alcoholic Beverages Tax	61,700	62,100
Admissions & Dues Tax	38,300	39,600
Health Provider Tax	676,900	683,900
Miscellaneous Tax	20,800	21,300
<b>Subtotal - Taxes</b>	<b>16,936,465</b>	<b>17,460,765</b>
Less Refunds	(1,090,400)	(1,103,100)
Less Earned Income Tax Credit	(127,400)	(133,900)
Less R&D Credit Exchange	(7,100)	(7,400)
<b>Net - Taxes</b>	<b>15,711,565</b>	<b>16,216,365</b>
<b>Other Revenue</b>		
Transfers - Special Revenue	343,400	369,300
Indian Gaming Payments	258,800	252,400
Licenses, Permits and Fees	308,513	290,775
Sales of Commodities	38,000	39,100
Rents, Fines and Escheats	126,000	128,000
Investment Income	2,500	5,600
Miscellaneous	171,300	173,400
Less Refunds of Payments	(74,200)	(75,100)
<b>Net - Other Revenue</b>	<b>1,174,313</b>	<b>1,183,475</b>
<b>Other Sources</b>		
Federal Grants	1,265,230	1,252,687
Transfer From Tobacco Settlement	106,600	104,500
Transfers (To)/From Other Funds	(95,350)	(43,400)
Transfers to the Resources of the Special Transportation Fund	-	-
<b>Net - Other Sources</b>	<b>1,276,480</b>	<b>1,313,787</b>
<b>GF TOTAL</b>	<b>18,162,357</b>	<b>18,713,627</b>
<b>Special Transportation Fund (STF)</b>		
<b>Taxes</b>		
Motor Fuels Tax	499,000	502,300
Oil Companies Tax	339,100	359,700
Sales & Use Tax	158,600	260,600
Sales Tax- DMV	84,000	85,000

Item	FY 16 \$	FY 17 \$
Less Refunds	(7,300)	(7,500)
<b>Net - Taxes</b>	<b>1,073,400</b>	<b>1,200,100</b>
<b>Other Sources</b>		
Motor Vehicle Receipts	245,800	246,600
Licenses, Permits and Fees	139,300	139,900
Interest Income	7,700	8,500
Federal Grants	12,100	12,100
Transfers From/(To) Other Funds	(6,500)	(6,500)
Transfers from the Resources of the Special Transportation Fund	-	-
Refunds of Payments	(3,700)	(3,800)
<b>Net - Other Sources</b>	<b>394,700</b>	<b>396,800</b>
<b>STF TOTAL</b>	<b>1,468,100</b>	<b>1,596,900</b>
<b>Mashantucket Pequot and Mohegan Fund (MP&amp;MF)</b>		
Transfers from General Fund	61,800	61,800
<b>MP&amp;MF TOTAL</b>	<b>61,800</b>	<b>61,800</b>
<b>Regional Market Operating Fund (RMOF)</b>		
Rentals and Investment Income	1,100	1,100
<b>RMOF TOTAL</b>	<b>1,100</b>	<b>1,100</b>
<b>Banking Fund</b>		
Fees and Assessments	30,000	30,200
<b>BANKING FUND TOTAL</b>	<b>30,000</b>	<b>30,200</b>
<b>Insurance Fund</b>		
Fees and Assessments	79,950	81,400
<b>INSURANCE FUND TOTAL</b>	<b>79,950</b>	<b>81,400</b>
<b>Consumer Counsel and Public Utility Control Fund (CC&amp;PUCF)</b>		
Fees and Assessments	27,000	27,300
<b>CC&amp;PUCF TOTAL</b>	<b>27,000</b>	<b>27,300</b>
<b>Workers' Compensation Fund (WCF)</b>		
Fees and Assessments	24,867	28,122
Use of Fund Balance from Prior Years	14,960	12,516
<b>WCF TOTAL</b>	<b>39,827</b>	<b>40,638</b>
<b>Criminal Injuries Compensation Fund (CICF)</b>		
Restitutions	2,900	3,000
<b>CICF TOTAL</b>	<b>2,900</b>	<b>3,000</b>
<b>ALL APPROPRIATED FUNDS</b>	<b>19,873,034</b>	<b>20,555,965</b>