

OFFICE OF FISCAL ANALYSIS

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SB-298

AN ACT CONCERNING THE REALLOCATION OF CERTAIN STATE FUNDS AND VARIOUS PROVISIONS RELATING TO EDUCATION, PUBLIC SAFETY, GENERAL GOVERNMENT, ELECTIONS, INTERMEDIATE CARE FACILITIES AND WAREHOUSE DISTRIBUTION CENTERS.
AMENDMENT

LCO No.: 2239

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Resources of the General Fund	GF - Revenue Loss	2,196.8 million	1,715.7 million
Paid Family and Medical Leave Insurance Authority	Family Medical Leave Compensation Trust Fund - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The amendment strikes the underlying bill and its associated fiscal impact.

The amendment, which makes various changes to state taxes and fees, results in the following fiscal impacts:

Section 1 reduces personal income taxes for certain filers effective with the 2026 income year. This results in a General Fund revenue loss of approximately \$1.463 billion in FY 27 and \$975 million in FY 28 and

annually thereafter. The revenue loss is greater in FY 27 to reflect 18 months of activity.

Sections 2 & 3 establish a new refundable personal income tax credit, which replaces the existing credit, for motor vehicle taxes paid effective with the 2026 income year. This results in a General Fund revenue loss of approximately \$715 million annually beginning in FY 27.

Sections 4 - 6 eliminate license and application fees for certain Department of Consumer Protection (DCP), Department of Public Health (DPH), and Department of Education (SDE) licenses and permits resulting in an approximate revenue loss of \$19.3 million in FY 27¹ and \$25.7 million in FY 28².

Section 7 caps employee contributions at four-tenths of one per cent of subject earnings. Under current law, the cap is one-half of one per cent. This results in a revenue loss to the CT Paid Leave Contribution Trust Fund beginning in FY 27. As a reference, employee contributions totaled \$477.5 million in FY 25. Under the new cap, this revenue would have been \$382 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.

¹The revenue loss in FY 27 reflects nine months due to the amendment's October 1, 2026, effective date.

²The full-year revenue loss for DCP issued licenses and permits is \$24.2 million, DPH speech and language pathologists licenses is \$700,000, and SDE certification fees for teaching certificates is \$800,000.