

OFFICE OF FISCAL ANALYSIS

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SB-1550

AN ACT CONCERNING THE APPLICABILITY OF THE HOSPITAL
TAX TO CHILDREN'S GENERAL HOSPITALS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Revenue Serv., Dept.	GF - Revenue Gain	None	23 million
Social Services, Dept.	GF - Cost	None	23 million
Resources of the General Fund	GF - Revenue Gain	None	15.5 million

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in an estimated net revenue gain to the state of \$15.5 million annually beginning in FY 27 by extending the hospital provider tax to children's general hospitals.

It is anticipated that the bill will generate \$23 million annually in hospital provider tax revenue. It is also anticipated that there would be a corresponding hospital supplemental payment of \$23 million annually through the Department of Social Services. This anticipated hospital supplemental payment will in turn generate a federal grant revenue gain estimated to be \$15.5 million annually.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future at this rate unless modified through changes in state statute or changes in federal policy.