

OFFICE OF FISCAL ANALYSIS

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HB-5292

AN ACT EXEMPTING CERTAIN SALES TO MILITARY AND VETERANS-RELATED ORGANIZATIONS FROM THE SALES AND USE TAXES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Revenue Serv., Dept.	Various - Revenue Loss	750,000	1 million

Note: Various=Various

Municipal Impact: None

Explanation

The bill results in a revenue loss of \$750,000 in FY 27 and \$1 million annually thereafter to the state by exempting the sales of tangible personal property or services to certain federally tax-exempt veterans' organizations. It is estimated that there are approximately 250 veterans' organizations in the state that would qualify for this exemption.

By fund, the annualized revenue loss is anticipated to be \$840,000 to the General Fund and \$80,000 each to the Special Transportation Fund and the Municipal Revenue Sharing Fund.¹

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ By statute, 0.5 percentage points of the 6.35% rate (or 7.87% of collections) is deposited into the Special Transportation Fund and Municipal Revenue Sharing Fund each. The remaining 5.35 percentage points (or 84.25% of collections) is deposited into the General Fund.