

# Revenue Impact of Policy Changes included in the FRB Revenue Schedule

In Millions of Dollars

Category & Enacting Authority	Policy	FY 25 \$	FY 26 \$	FY 27 \$	FY 28 \$	FY 29 \$
<b>General Fund</b>						
<b>Sales and Use Tax</b>						
Sec. 368 of PA 25-168	Exempt the Purchase of Ambulances from the Sales and Use Tax	-	(0.4)	(0.4)	(0.4)	(0.4)
Sec. 444 of PA 25-168	Expand Exemption for Certain Gold Items	-	-	-	(1.1)	(1.1)
<b>Subtotal</b>		-	(0.4)	(0.4)	(1.5)	(1.5)
<b>Corporation Tax</b>						
Secs. 353 and 355 of PA 25-168	Eliminate Provision Allowing Certain Corporations to Claim 100% Net Operating Loss	-	8.3	8.3	8.3	8.3
Secs. 354-355 of PA 25-168	Adjust Combined Unitary Reporting Cap	-	133.1	83.2	83.2	83.2
Secs. 356-357 of PA 25-168	Extend 10% Corporate Tax Surcharge to Income Year 2028	-	48.0	80.0	80.0	32.0
<b>Subtotal</b>		-	189.4	171.5	171.5	123.5
<b>Public Service Companies Tax</b>						
Sec. 445 of PA 25-168	Repeal Ineffective Statutes Related to the Municipal Video Competition Trust Account	-	5.0	5.0	5.0	5.0
<b>Subtotal</b>		-	5.0	5.0	5.0	5.0
<b>Cigarette Tax</b>						
Sec. 365 of PA 25-168	Accrue Tobacco Products Tax Beginning in FY 26	-	1.0	-	-	-
<b>Subtotal</b>		-	1.0	-	-	-
<b>Real Estate Conveyance Tax</b>						
Sec. 366 of PA 25-168	Accrue Controlling Interest Tax Beginning in FY 26	-	0.5	-	-	-
<b>Subtotal</b>		-	0.5	-	-	-
<b>Admissions &amp; Dues Tax</b>						
Sec. 370 of PA 25-168	Raise the (Annual) Dues Tax Exemption from \$100 to \$250	-	(0.3)	(0.3)	(0.3)	(0.3)
<b>Subtotal</b>		-	(0.3)	(0.3)	(0.3)	(0.3)

## Part III. Revenue

Category & Enacting Authority	Policy	FY 25 \$	FY 26 \$	FY 27 \$	FY 28 \$	FY 29 \$
<b>General Fund</b>						
<b>Health Provider Tax</b>						
Secs. 360-361 of PA 25-168	Rebase Hospital User Fee and Reflect Federal Match on Additional Hospital Supplemental Payments	-	-	375.0	400.0	425.0
<b>Subtotal</b>		-	-	<b>375.0</b>	<b>400.0</b>	<b>425.0</b>
<b>Refunds of Taxes</b>						
Sec. 372 of PA 25-168	Establish a Refundable Personal Income Tax Credit of \$500 for Home Daycare Owners	-	-	(0.9)	(0.9)	(0.9)
Sec. 373 of PA 25-168	Establish a Farm Investment Tax Credit	-	(2.5)	(2.5)	(2.5)	(2.5)
Secs. 374-383 of PA 25-168	Establish a Tax Credit for an Employer's Contributions to Employees' CHET Accounts	-	(0.4)	(0.4)	(0.4)	(0.4)
Secs. 384-385 of PA 25-168	Establish a Tax Credit for Businesses that Donate to UConn	-	(5.0)	(5.0)	(5.0)	(5.0)
<b>Subtotal</b>		-	<b>(7.9)</b>	<b>(8.8)</b>	<b>(8.8)</b>	<b>(8.8)</b>
<b>Research and Development (R&amp;D) Tax Credit</b>						
Sec. 358 of PA 25-168	Raise the Cap on the Research & Development Credit Exchange for Biotech Firms	-	(1.8)	(1.8)	(1.8)	(1.8)
<b>Subtotal</b>		-	<b>(1.8)</b>	<b>(1.8)</b>	<b>(1.8)</b>	<b>(1.8)</b>
<b>Earned Income Tax Credit</b>						
Sec. 371 of PA 25-168	Supplement the Earned Income Tax Credit (EITC) for those Tax Filers with Children	-	(35.5)	(35.5)	(35.5)	(35.5)
<b>Subtotal</b>		-	<b>(35.5)</b>	<b>(35.5)</b>	<b>(35.5)</b>	<b>(35.5)</b>
<b>Taxes Total</b>		-	<b>150.0</b>	<b>504.7</b>	<b>528.6</b>	<b>505.6</b>
<b>Licenses, Permits and Fees</b>						
Secs. 415-433 of PA 25-168	Eliminate Certain Occupational License Application Fees	-	(2.9)	(3.8)	(3.8)	(3.8)
Secs. 457-458 of PA 25-168	Reflect Revenue Impact of Entering into the Physician Assistant Licensure Compact	-	(0.1)	(0.2)	(0.2)	(0.2)
<b>Subtotal</b>		-	<b>(3.0)</b>	<b>(4.0)</b>	<b>(4.0)</b>	<b>(4.0)</b>
<b>Other Revenue Total</b>		-	<b>(3.0)</b>	<b>(4.0)</b>	<b>(4.0)</b>	<b>(4.0)</b>

Category & Enacting Authority	Policy	FY 25 \$	FY 26 \$	FY 27 \$	FY 28 \$	FY 29 \$
<b>General Fund</b>						
<b>Federal Grants</b>						
Sec. 362 of PA 25-168, Appropriations	Rebase Hospital User Fee and Reflect Federal Match on Additional Hospital Supplemental Payments	-	-	93.8	110.6	127.3
Sec. 28 of PA 25-168	Reduce State Health Plan Rates to Hospitals and Reflect Federal Match on (Related) Additional Hospital Supplemental Payments	-	-	46.9	46.9	46.9
Appropriations	Reflect Federal Revenue Impact of Other Expenditure Changes	-	30.4	64.3	64.3	64.3
Technical update, no enacting authority required	Update Federal Workforce Innovation and Opportunity Act (WIOA) Allotment to CT	-	(2.6)	(2.6)	(2.6)	(2.6)
<b>Subtotal</b>		-	<b>27.8</b>	<b>202.4</b>	<b>219.2</b>	<b>235.9</b>
<b>Transfers from / (to) Other Funds</b>						
Sec. 445 of PA 25-168	Repeal Ineffective Statutes Related to the Municipal Video Competition Trust Account	-	(5.0)	(5.0)	(5.0)	(5.0)
Sec. 39 of PA 25-168	Support the Cannabis Regulatory Fund	-	(10.3)	(10.5)	-	-
Sec. 43 of PA 25-168	Support the Municipal Revenue Sharing Fund	-	(101.0)	(90.0)	-	-
Secs. 404-405 of PA 25-168	Support the New Bottle Bill Escheats Enforcement and Assistance Account	-	(2.0)	-	-	-
Sec. 27 of PA 25-168	Allow the Probate Court Administration Fund to Retain a Balance in Excess of 15% of Projected Expenditures	(11.0)	-	-	-	-
Sec. 41 of PA 25-168	Credit Revenues to Subsequent Fiscal Year – Support Additional Teachers Retirement System (TRS) Pension Payment	(150.0)	150.0	-	-	-
Sec. 42 of PA 25-168	Credit Revenues to Subsequent Fiscal Year – Balance the Biennium	-	(244.0)	244.0	-	-

## Part III. Revenue

Category & Enacting Authority	Policy	FY 25 \$	FY 26 \$	FY 27 \$	FY 28 \$	FY 29 \$
<b>General Fund</b>						
<b>Transfers from / (to) Other Funds</b>						
Sec. 367 of PA 25-168	Close Out the Itinerant Vendors Guaranty Fund (less than \$50k one-time impact in FY 25)	-	-	-	-	-
	<b>Subtotal</b>	<b>(161.0)</b>	<b>(212.3)</b>	<b>138.5</b>	<b>(5.0)</b>	<b>(5.0)</b>
<b>Other Sources Total</b>		<b>(161.0)</b>	<b>(184.5)</b>	<b>340.9</b>	<b>214.2</b>	<b>230.9</b>
<b>Volatility Cap Adjustment</b>						
Sec. 386 of PA 25-168	Adjust Volatility Cap Threshold	150.0	600.0	632.2	662.3	693.6
<b>Volatility Cap Total</b>		<b>150.0</b>	<b>600.0</b>	<b>632.2</b>	<b>662.3</b>	<b>693.6</b>
<b>GENERAL FUND TOTAL</b>		<b>(11.0)</b>	<b>562.5</b>	<b>1,473.8</b>	<b>1,401.1</b>	<b>1,426.1</b>
<b>Special Transportation Fund (STF)</b>						
<b>Sales and Use Tax</b>						
Sec. 368 of PA 25-168	Exempt the Purchase of Ambulances from the Sales and Use Tax	-	(0.05)	(0.05)	(0.05)	(0.05)
Sec. 444 of PA 25-168	Expand Exemption for Certain Gold Items	-	-	-	(0.15)	(0.15)
	<b>Subtotal</b>	<b>-</b>	<b>(0.05)</b>	<b>(0.05)</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Transfers from / (to) Other Funds</b>						
Sec. 44 of PA 25-168	Credit Revenues to Subsequent Fiscal Year	(140.0)	17.0	123.0	-	-
	<b>Subtotal</b>	<b>(140.0)</b>	<b>17.0</b>	<b>123.0</b>	<b>-</b>	<b>-</b>
<b>SPECIAL TRANSPORTATION FUND TOTAL</b>		<b>(140.0)</b>	<b>17.0</b>	<b>123.0</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Municipal Revenue Sharing Fund (MRSF)</b>						
<b>Sales and Use Tax</b>						
Sec. 368 of PA 25-168	Exempt the Purchase of Ambulances from the Sales and Use Tax	-	(0.05)	(0.05)	(0.05)	(0.05)
Sec. 444 of PA 25-168	Expand Exemption for Certain Gold Items	-	-	-	(0.15)	(0.15)
	<b>Subtotal</b>	<b>-</b>	<b>(0.05)</b>	<b>(0.05)</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Transfers from / (to) Other Funds</b>						
Sec. 43 of PA 25-168	Support the Municipal Revenue Sharing Fund	-	101.0	90.0	-	-
	<b>Subtotal</b>	<b>-</b>	<b>101.0</b>	<b>90.0</b>	<b>-</b>	<b>-</b>
<b>MUNICIPAL REVENUE SHARING FUND TOTAL</b>		<b>-</b>	<b>101.0</b>	<b>90.0</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Cannabis Regulatory Fund (CRF)</b>						
<b>Transfers from / (to) Other Funds</b>						
Sec. 39 of PA 25-168	Support the Cannabis Regulatory Fund	-	10.3	10.5	-	-
<b>CANNABIS REGULATORY FUND TOTAL</b>		<b>-</b>	<b>10.3</b>	<b>10.5</b>	<b>-</b>	<b>-</b>

Category & Enacting Authority	Policy	FY 25 \$	FY 26 \$	FY 27 \$	FY 28 \$	FY 29 \$
<b>Tourism Fund</b>						
<b>Transfers from / (to) Other Funds</b>						
N/A	Use Accumulated Fund Balance as Revenue	-	2.5	3.0	-	-
<b>TOURISM FUND TOTAL</b>		<b>-</b>	<b>2.5</b>	<b>3.0</b>	<b>-</b>	<b>-</b>
<b>Cannabis Social Equity and Innovation Fund (SEIF)</b>						
<b>Cannabis Excise Tax</b>						
Secs. 127-128 of PA 25-168	Shift Cannabis Social Equity and Innovation Fund Off-Budget	-	(14.1)	(16.1)	(16.8)	(20.4)
<b>CANNABIS SEIF TOTAL</b>		<b>-</b>	<b>(14.1)</b>	<b>(16.1)</b>	<b>(16.8)</b>	<b>(20.4)</b>
<b>Cannabis Social Equity and Innovation Account (SEIA) (Off-Budget)</b>						
<b>Cannabis Excise Tax</b>						
Secs. 127-128 of PA 25-168	Shift Cannabis Social Equity and Innovation Fund Off-Budget to New Account	-	14.1	16.1	16.8	20.4
<b>CANNABIS SEIA TOTAL</b>		<b>-</b>	<b>14.1</b>	<b>16.1</b>	<b>16.8</b>	<b>20.4</b>
<b>Budget Reserve Fund (BRF) and/or Pensions Funds</b>						
<b>Volatility Cap Adjustment</b>						
Sec. 386 of PA 25-168	Adjust Volatility Cap Threshold <sup>1</sup>	-	(600.0)	(632.2)	(662.3)	(693.6)
<b>Subtotal</b>		<b>-</b>	<b>(600.0)</b>	<b>(632.2)</b>	<b>(662.3)</b>	<b>(693.6)</b>
<b>Transfers from / (to) Other Funds</b>						
Secs 1 & 138 of PA 25-93	Support the New Early Childhood Education Endowment with a Transfer of Realized Surplus as Estimated by OPM in June 2025 <sup>2</sup>	(300.0)	-	-	-	-
<b>Subtotal</b>		<b>(300.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BUDGET RESERVE FUND AND/OR PENSIONS</b>		<b>(300.0)</b>	<b>(600.0)</b>	<b>(632.2)</b>	<b>(662.3)</b>	<b>(693.6)</b>

<sup>1</sup>The FY 25 volatility adjustment of \$150 million enables a separate revenue transfer from FY 25 to FY 26 in an amount equal to the \$150 million additional appropriation to the Teachers' Retirement System to pay down the TRS unfunded actuarial accrued liability.

<sup>2</sup>Up to \$300 million transfer is authorized in FY 25; in subsequent fiscal years the transfer amount of realized General Fund surpluses (estimated by OPM in late June each fiscal year) is unlimited, provided the Budget Reserve Fund is at 18.0% of net General Fund appropriations. OPM's [June 20<sup>th</sup> Monthly Statement](#) indicates an estimated FY 25 General Fund surplus of \$227.3 million but the State Treasurer has transferred \$300 million, subject to updating. The State Comptroller will determine definitively the FY 25 General Fund surplus or deficit amount in late September (on a preliminary basis) and then finalize the amount by December 31, 2025. Noteworthy is that approximately \$2 billion in tax revenues are yet to be recognized for the fiscal year ending June 30<sup>th</sup> as the accrual period for most tax revenues runs through early August to capture revenues earned prior to June 30<sup>th</sup> but not yet received.

Part III. Revenue

Category & Enacting Authority	Policy	FY 25 \$	FY 26 \$	FY 27 \$	FY 28 \$	FY 29 \$
<b>Early Childhood Education Endowment (Off-Budget)</b>						
<b>Transfers from / (to) Other Funds</b>						
Secs 1 & 138 of PA 25-93	Support the New Early Childhood Education Endowment with a Transfer of Realized Surplus as Estimated by OPM in June 2025	300.0	-	-	-	-
<b>ECEE TOTAL</b>		<b>300.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bottle Bill Escheats Enforcement and Assistance Account (BBEEAA) (Off-Budget)</b>						
<b>Transfers from / (to) Other Funds</b>						
Secs. 404-405 of PA 25-168	Support the New Bottle Bill Escheats Enforcement and Assistance Account	-	2.0	-	-	-
<b>BBEEAA TOTAL</b>		<b>-</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Itinerant Vendors Guaranty Fund (IVGF) (Off-Budget)</b>						
<b>Transfers from / (to) Other Funds</b>						
Sec. 367 of PA 25-168	Close Out the Itinerant Vendors Guaranty Fund (less than \$50k one-time impact in FY 25)	-	-	-	-	-
<b>IVGF TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL ALL FUNDS</b>		<b>(151.0)</b>	<b>95.3</b>	<b>1,068.1</b>	<b>738.4</b>	<b>732.1</b>