

Comparison of February and April Revenue Plans

April 20, 2011

General Fund

(In Millions)

Tax Type	Legislative Proposals	Eff. Date	February		April		Notes	
			Fiscal 2012	Fiscal 2013	Fiscal 2012	Fiscal 2013		
Personal Income Tax	Progressive Income Tax	1/1/2011	494.8	349.3	564.8	399.1	Enhance progressivity	
	Phase-out 3% rate	1/1/2011	126.0	90.0	159.4	112.5	Enhance progressivity	
	Eliminate \$500 Property Tax Credit	1/1/2011	365.0	368.7	150.5	150.9	Maintain credit at \$300	
	Earned Income Tax Credit-Refundable-30%	1/1/2011	(108.0)	(111.3)	(110.2)	(116.5)		
	Lower Rate Benefit Recapture	1/1/2011	-	-	96.4	68.1	Enhance progressivity	
Sub-Total- Personal Income Tax			877.8	696.7	860.9	614.1		
Sales Tax	Increase state sales tax rate to 6.25%	7/1/2011	152.2	158.2	138.4	144.7		
	Tax clothing and footwear under \$50	7/1/2011	137.5	143.7	128.1	133.9		
	Eliminate trade-in exemption for automobiles	7/1/2011	40.0	41.8	-	-	Eliminated	
	Eliminate exemption for coupons and trade-ins	7/1/2011	45.0	47.0	-	-	Eliminated	
	Tax non-prescription drugs	7/1/2011	18.0	18.8	15.8	16.5		
	Tax barber, beauty, spa services	7/1/2011	12.0	12.5	2.4	2.4	Tax spa services only	
	Increase hotel tax to 14%	7/1/2011	11.7	12.2	11.1	11.6		
	Rental Car Surtax- 2%	7/1/2011	4.0	4.0	3.8	4.0		
	Tax luxury goods	7/1/2011	1.2	1.3	11.0	11.0	7% from first dollar	
	Tax pet grooming services	7/1/2011	1.9	2.0	3.0	3.1		
	Tax automotive storage	7/1/2011	0.2	0.2	0.2	0.2		
	Tax boat services (storage, cleaning, repair, tow)	7/1/2011	7.0	7.3	-	-	Eliminated	
	Tax packing & crating	7/1/2011	1.1	1.1	1.0	1.1		
	Tax car washes	7/1/2011	4.0	4.2	-	-	Eliminated	
	Tax automobile road and towing services	7/1/2011	0.6	0.6	2.5	2.7		
	Tax limousine services (with driver)	7/1/2011	4.5	4.7	2.6	2.7		
	Tax labor charges-repair of small aircraft	7/1/2011	0.1	0.1	0.1	0.1		
	Tax manicure and pedicure services	7/1/2011	4.9	5.1	2.2	2.3		
	Tax airport valet parking services	7/1/2011	1.0	1.0	0.5	0.5		
	Tax cosmetic surgery services	7/1/2011	5.0	5.2	4.1	4.3		
	Eliminate sales tax free week	7/1/2011	4.2	4.4	-	-	Eliminated	
	Tax yoga studios	7/1/2011	0.2	0.2	0.1	0.1		
	Tax cloth and fabric for non-commercial sewing	7/1/2011	0.5	0.5	0.9	0.9		
	Tax hazardous waste removal	7/1/2011	4.0	4.2	1.2	1.2		
	Eliminate exemption for solid waste to energy facilities	7/1/2011	0.2	0.2	0.2	0.2		
	Sales Tax related to Cigarette Tax Increase	7/1/2011	2.7	1.9	2.6	2.5		
	Sales Tax related to Alcoholic Beverage Tax Increase	7/1/2011	0.6	0.6	0.6	0.6		
	Amazon Tax	7/1/2011	-	-	9.4	9.4	New	
	Sub-Total- Sales Tax			464.3	483.0	341.8	356.0	
	Corporation Tax	Continue 10% surcharge for IY 2012 and IY 2013	1/1/2012	25.0	45.0	23.0	58.0	
Increase 10% surcharge to 20% for IY 2012 & IY 2013		1/1/2012	-	-	23.0	58.0	In lieu of throwback	
Establish "throw-back" rule		1/1/2011	20.0	20.0	-	-	Eliminated	
Revise firm tax credit transferability		1/1/2011	6.0	3.0	6.1	3.0		
Lift 70% cap on tax credits for job creation		1/1/2011	(7.0)	(9.0)	(6.9)	(8.1)		
Increase cap on job creation tax credit to \$20M		7/1/2011	(2.0)	(4.0)	(0.5)	(1.8)		
Increase cap on Urban Sites tax credit to \$750M		7/1/2011	-	-	-	-	No fiscal impact in biennium	
Sub-Total- Corporation Tax			42.0	55.0	44.7	109.1		
Public Service	Repeal transfer for Natural Gas Conservation Programs	7/1/2011	-	-	-	-	Precludes revenue loss	
Inheritance & Estate	Lower exemption level from \$3.5M to \$2.0M	1/1/2011	18.0	18.0	22.4	22.4		
Insurance Companies	Increase rate from 1.75% to 1.95%	1/1/2011	25.4	25.7	-	-	Eliminated	
	Lower 70% cap to 30% in lieu of rate increase	1/1/2011	-	-	27.5	27.5	In lieu of rate change	
	Revise firm tax credit transferability	1/1/2011	6.5	3.3	9.4	4.7		
	Lift 70% cap on tax credits for job creation	1/1/2011	(0.5)	(1.0)	(0.5)	(0.5)		
Sub-Total- Insurance Companies Tax			31.4	28.0	36.4	31.7		

Tax Type	Legislative Proposals	Eff. Date	February		April		Notes
			Fiscal 2012	Fiscal 2013	Fiscal 2012	Fiscal 2013	
Cigarette Tax	Increase rate from \$3 per pack to \$3.40 per pack	7/1/2011	41.0	31.0	42.0	39.9	
	Floor Tax- \$0.40	7/1/2011	3.6	-	3.6	-	
	Increase tax on snuff from 55 cents to \$1.00 per oz.	7/1/2011	2.6	2.6	1.4	1.4	
	Other tobacco products 27.5% to 50% of wholesale price	7/1/2011	7.1	7.1	3.7	3.7	
	Sub-Total- Cigarette Tax		54.3	40.7	50.7	45.0	
Oil Companies Tax	Increase Transfer to Transportation Fund	7/1/2011	(35.4)	(38.1)	(35.4)	(38.1)	
Electric Generation Tax	Generators tax-two-tenths of a cent per kilowatt hour	7/1/2011	58.4	58.4	72.0	72.0	Tax at \$0.0025 per kwh
Admissions & Dues Tax	Repeal targeted exemptions	7/1/2011	8.0	8.0	8.0	8.0	
Alcoholic Beverages Tax	Increase all rates by one-fifth	7/1/2011	9.0	9.2	9.3	9.3	
	Floor Tax	7/1/2011	0.2	-	0.5	-	
	Sub-Total- Alcoholic Beverages Tax		9.2	9.2	9.8	9.3	
Taxes Only			\$ 1,528.0	\$ 1,358.9	\$ 1,411.3	\$ 1,229.5	
Taxes only change from Governor's Original					\$ (116.7)	\$ (129.4)	
Oil Companies	Eliminate Transfer to Fuel Oil Conservation Board	7/1/2011	5.0	5.0	5.0	5.0	
Other Item	DRS Risk Based Scoring Decision System	7/1/2011	6.0	18.0	3.9	7.8	
Health Provider Tax	Implement Hospital Provider Tax	7/1/2011	266.6	269.0	345.6	348.8	Per revised plan
	Increase existing Nursing Home Provider tax	7/1/2011	31.1	34.3	31.1	34.3	
	Implement ICF/MR Provider Tax	7/1/2011	16.9	17.2	16.9	17.2	
	Sub-Total- Health Provider Tax		314.6	320.5	393.6	400.3	
License, Permits, Fees	Divert Banking Fund fines to General Fund	7/1/2011	4.3	4.3	1.5	1.5	
	Eliminate Charitable Games Unit	7/1/2011	(1.0)	(1.0)	(0.9)	(0.9)	
	Increase cremation certificate fee	7/1/2011	0.6	0.6	0.6	0.6	
	Transfer of Boating Account Revenue	7/1/2011	5.6	5.6	5.6	5.6	
	Sub-Total- License, Permits, Fees		9.5	9.5	6.8	6.8	
Rents, Fines, Escheats	Reduce transfer to Citizens' Election Fund	7/1/2011	8.0	-	8.0	-	
Refunds of Payments	Reflect return of escheated property	7/1/2011	-	-	-	-	
Transfers-Other	Transfer balance in Transportation Strategy Board	7/1/2011	0.6	-	0.3	0.3	
	Mashantucket Pequot/Mohegan Fund	7/1/2011	73.2	73.2	73.2	73.2	
	Sub-Total- Transfers-Other		73.8	73.2	73.5	73.5	
Federal Grants	Hospital Provider Tax Reimbursement	7/1/2011	133.3	134.5	198.1	199.4	Per revised plan
	Nursing Home User Fee Reimbursement	7/1/2011	21.3	25.7	21.3	25.7	
	ICF/MR Provider Tax Reimbursement	7/1/2011	8.0	9.6	8.0	9.6	
	Expenditure Changes	7/1/2011	(144.8)	(170.1)	(144.8)	(170.1)	
	Sub-Total- Federal Grants		17.8	(0.3)	82.6	64.6	
General Fund -- Total			\$ 1,962.7	\$ 1,784.8	\$ 1,984.7	\$ 1,787.5	
Total Change from Governor's Original					\$ 22.0	\$ 2.7	

Highlights – Appropriations Committee vs. Governor’s Budget

Significant modifications of reduction proposals in Governor’s budget:

- All additional spending is offset by reductions.
- DECD - Provides funding for tourism districts and competitive grants (\$3.2 million in each year).
- UCHC – Adds back \$10 million for block grant in FY 2012.
- DHE – Transfers nearly \$4.5 million from Capitol Scholarship to CICSG (private college tuition aid).
- SDE – Restores \$4 million in each year for Priority School Districts.
- Judicial – Restores funding for adult and juvenile providers (\$2.5 million each year).
- DOC – Expands savings related to offender management, intensive supervision, and house arrest; closes an additional prison (\$16.2 million in FY 2012, \$33.6 million in FY 2013).
- DCF – Reduces funding for caseload and flex funds (\$12.8 million in FY 2012, \$15 million in FY 2013).
- DPH/DMHAS – Adds back funds for community health centers (\$6.4 million each year).
- DSS – Adds back funding for the Nurturing Families Network (\$3.2 million each year)
- DSS – Restructures pharmacy reimbursement to mitigate impact on independent pharmacies (addback of \$11.5 million in each year) and to implement medication therapy management (reduction of \$14.1 million each year).
- DSS – Adds back funds to reflect smaller increase in cost-sharing for CT Home Care (\$4.9 million in FY 2012, \$5.1 million in FY 2013) and no cost sharing under Medicaid (\$8.25 million in FY 2012, \$9.45 million in FY 2013).
- DSS – Adjusts hospital tax proposal to generate additional reimbursement and provide some funding for hospitals (\$128.5 million in FY 2012, \$129.7 million in FY 2013). The revision will increase funding to hospitals by \$50 million and result in a net gain of federal revenue to the state of \$15 million beyond the Governor’s initial recommendation.

Significant new initiatives in Appropriations Committee budget:

- OPM - \$1.1 million each year for Operation Fuel.
- DSS - \$1 million each year for domestic violence shelters.
- Judicial - \$7 million each year for additional positions to implement Raise the Age.
- UConn - \$2.5 million in FY 2013 for industry partners eminent faculty initiative.
- SDE – Provides significant new funding (\$2.6 million in each year) in various accounts for increased per pupil grants for Vocational Agriculture (\$500,000 each year) and Charter Schools (\$607,100 in FY 2012 and \$645,100 in FY 2013); expanding eligibility for School Breakfast grant (\$586,200 each year); funding the federal program Even Start with General Fund dollars in the absence of federal funds (\$500,000 each year); and an Adult Education Pilot (\$420,000 each year).
- SDE – Provides \$1 million in FY 2013 for the Windham take over by reducing Charter and Magnet School grants.

Significant changes to merger and consolidation proposals:

- OGA – In addition to watchdog agencies, includes Council on Environmental Quality, Child Advocate, Healthcare Advocate, Victim Advocate, and Contracting Standards Board; adds administrator position with administrator to function similar to OLM's relationship to legislative commissions.
- Public safety – Proposes enhanced reorganization by combining Public Safety, Emergency Management and Homeland Security, and Emergency Responder Training into new agency.
- Merges Child Protection Commission into Public Defenders Services Commission.
- Bureau of Rehabilitation Services – Includes Commission on Deaf and Hearing Impaired, Board of Education and Services for the Blind, WCC – rehabilitation programs, DMV handicapped driver training program, and DSS' Bureau of Rehabilitation Services.
- Realigns juvenile parole from DCF to Judicial.
- Job Training – Maintains job training programs in the Department of Labor and merges OWC with DOL rather than with DECD.