

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1685-03
Bill No.: Truly Agreed To and Finally Passed SCS for HCS for HB 631
Subject: Disabilities; Revenue Dept.; Taxation and Revenue - Income
Type: Original
Date: June 3, 2011

Bill Summary: Would create a tax refund check-off for contributions to certain funds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Developmental Disabilities Waiting List Equity Trust	Less than \$100,000	Less than \$100,000	Less than \$100,000
American Red Cross Trust	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on Other State Funds	Less than \$100,000	Less than \$100,000	Less than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** and the **Office of the State Treasurer** assume this proposal would have no fiscal impact to their organizations.

Officials from the **Department of Revenue** (DOR) stated there would be no administrative impact to their organization, but they provided an estimate of the IT impact to implement the proposal of \$35,616 based on 1,344 hours of programming to make changes to several DOR systems.

Oversight assumes that ITSD-DOR is provided with core funding to handle a certain amount of activity each year, and that ITSD-DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, ITSD-DOR could request funding through the appropriation process.

Officials from the **Office of Administration, Division of Budget and Planning**, (BAP) assume the proposed legislation would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would create two income check-offs, to benefit two funds established in this proposal: the American Red Cross Trust Fund and the Developmental Disabilities Waiting List Equity Trust Fund. Taxpayers could designate a portion of their refund to either fund and could also write a check for donations to these funds. To the extent the check-off is used, this proposal would increase total state revenues. BAP officials noted that \$324,237 in designations were made via income tax check-offs in FY 2010.

Oversight notes that the Office of Administration, Division of Budget and Planning response indicated a total of \$324,327 in donations were made for all income tax check-off programs during FY 2010, and assumes that the participation rate and the amount of revenue which could be provided for the newly created funds are unknown.

ASSUMPTION (continued)

Oversight has reviewed the DOR report of checkoff trust fund collections for the years ended June 30, 2009 and 2010, and noted that only one program had collections in excess of \$100,000 per year. Average collections for the each of the twenty programs in FY 2010 was \$16,600. For fiscal note purposes, Oversight will indicate annual revenue less than \$100,000 for the American Red Cross Trust Fund and for the Developmental Disabilities Waiting List Equity Trust Fund. The program would be effective for tax years beginning January 1, 2011, and Oversight assumes the donations would be made from refunds beginning in January, 2012 (FY 2012).

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
AMERICAN RED CROSS TRUST FUND			
<u>Revenue - donations</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
ESTIMATED NET EFFECT ON AMERICAN RED CROSS TRUST FUND	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
DEVELOPMENTAL DISABILITIES WAITING LIST EQUITY TRUST FUND			
<u>Revenue - donations</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
ESTIMATED NET EFFECT ON DEVELOPMENTAL DISABILITIES WAITING LIST EQUITY TRUST FUND	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

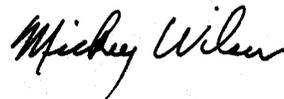
FISCAL DESCRIPTION

The proposed legislation would create a tax refund check-off program for contributions to designated funds.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the State Treasurer
Office of Administration
Division of Budget and Planning
Department of Revenue



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Director
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