

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 85** SLS 22RS 97

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 14, 2022 12:54 PM	<b>Author:</b> CORTEZ
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Emily DiPalma
<b>Subject:</b> Income Tax Checkoff, Maddie's Footprints	

TAX/INCOME/PERSONAL OR NO IMPACT SG EX See Note Page 1 of 1  
Creates an individual income tax refund checkoff donation for Maddie's Footprints. (8/1/22)

Allows donation of personal income tax refunds by checkoff to the Maddie's Footprints organization. Donated monies shall be distributed by the Department of Revenue in accordance with statutory procedures for checkoff donations (R.S. 47: 120.37).

Effective for taxable years beginning on or after January 1, 2022 and expires on January 1, 2027.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
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Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Adding an additional checkoff to the tax return, in isolation, involves costs associated with data processing modifications, accounting, and disbursing of any refunds donated. The Department of revenue estimates the cost to add this organization to the list of checkoffs to be \$61,680 in FYE 22-23 and can absorb this cost within the agency budget. In addition, R.S. 47:120.37(C) authorizes a 20% fee from the donated amounts to defray these costs, and R.S. 47: 120.37(B) The donation checkoff for this organization will not be removed from the individual income tax return until January 1, 2027, 3 years longer than the typical period if a donee has not generated at least \$10,000 per year for two consecutive years. This extended time will not cause any additional expenditures than normal for the Department of Revenue as the cost occurs upfront when an organization is added to the checkoff list.

**REVENUE EXPLANATION**

There will be no effect on state tax collections since only refunds will be donated. The willingness of taxpayers to donate all or a portion of their tax refunds to any particular organization cannot be predicted. The amount of donations to any particular organization via checkoff is likely to be small.

In recent years, total donations received via the 23 available checkoffs have often been below \$500,000 annually.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Deborah Vivien**  
**Chief Economist**