

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 274** HLS 15RS 653
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 8, 2015	1:12 PM	Author: FOIL
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Income Tax Checkoffs - U.S.S. Kidd and The Emerge Center		

TAX/INCOME TAX EGF NO IMPACT GF RV See Note
 Creates an individual income tax checkoff for the U.S.S. KIDD

Allows donation of personal income tax refunds by checkoff to The Louisiana Naval War Memorial Commission (U.S.S. KIDD), and to the Children's Therapeutic Services at the Emerge Center, Inc. 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, 2016.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Adding additional checkoffs to the tax return, in isolation, involves relatively small costs associated with data processing modifications, accounting, and disbursing of any refunds donated. 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) provides that existing checkoffs be removed from the tax return if they have not generated at least \$10,000 per year for two consecutive years.

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 purpose can not be predicted. The amount of donations to any particular purpose is likely to be small.

For fiscal year 2012 (the latest year for which the department has published information on checkoffs) the nine checkoffs reported for that year received donations from 14,781 returns out of 2.095 million total returns filed (0.7% of returns); total donations for all purposes were \$281,986; donations per checkoff purpose ranged from a high of \$98,350 (Military Family Assistance Fund) to a low of \$125 (LA Housing Trust Fund); and, the average donation per contributing return was \$19.08.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

John D. Carpenter
Legislative Fiscal Officer