

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



Fiscal Note On: **HB 566** HLS 17RS 1114

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 23, 2017	2:29 PM	<b>Author:</b> HAZEL
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Income Tax Checkoff - Louisiana Horse Racing Association		

TAX/INCOME TAX

OR NO IMPACT GF RV See Note

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Creates an individual income tax checkoff for the Louisiana Horse Rescue Association

Allows donation of personal income tax refunds by checkoff to The Louisiana Horse Racing Association. 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, 2018.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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 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, except for the donation for the Friends of Palmetto State Park, which is exempt from this removal provision until January 1, 2020.

**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 2015 (the latest year for which the department has published limited information on checkoffs) the 23 checkoffs reported for that year received total donations for all purposes of \$376,913; donations per checkoff purpose ranged from a high of \$106,470 (Military Family Assistance Fund) to a low of \$378 (Friends of Palmetto State Park).

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}

*John D. Carpenter*  
**John D. Carpenter**  
**Legislative Fiscal Officer**