

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 380** HLS 18RS 336

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 8, 2018	2:32 PM	Author: JACKSON
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Income Tax Checkoff, Uninsured Medical Catastrophe		

FUNDS/FUNDING OR NO IMPACT GF RV See Note Page 1 of 1
Creates and individual income tax checkoff for the Uninsured Medical Catastrophe Donation and dedicates the monies to the Uninsured Medical Catastrophe Fund

Allows donation of personal income tax refunds by checkoff to The Uninsured Medical Catastrophe Fund, newly created in the state treasury by this bill. Donated monies shall be distributed the Fund by the Department of Revenue in accordance with statutory procedures for checkoff donations (R.S. 47:120.37). Monies in the Fund shall be appropriated to the Dept. of Health to provide a source of payment for the treatment of uninsured medial catastrophies.

Effective upon governor's signature.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	2018-19	2019-20	2020-21	2021-22	2022-23	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 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. Small incremental costs are also associated with the management of an additional special fund in the state treasury. 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 2016 (the latest year for which the department has published limited information on checkoffs) the 29 checkoffs reported for that year received total donations for all purposes of \$329,303. Donations per checkoff purpose ranged from a high of \$79,180 (Military Family Assistance Fund) to a low of \$415 (Bastion Community of Resilience).

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
Legislative Fiscal Officer