

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 250** SLS 13RS 788

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 13, 2013	8:13 AM	Author: MORRELL
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Income Tax Checkoff - coalition Against Domestic Violence		

TAX/INCOME/PERSONAL RE NO IMPACT GF RV See Note Page 1 of 1

Provides for donations from personal income tax for the Louisiana Coalition Against Domestic Violence, Inc., through a checkoff box on state income tax returns. (8/1/13)

Allows donation of personal income tax refunds by checkoff to the Louisiana Coalition Against Domestic Violence, Inc. for the purpose of eliminating domestic violence through public education and public policy. Donated monies shall be administered by the Department of Revenue in accordance with statutory procedures for checkoff donations.

Effective for taxable years beginning on or after January 1, 2013.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	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	\$0	\$0	\$0	\$0	\$0	\$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. In addition, R.S. 47:120.37 authorizes a 20% fee from the donated amounts to defray these costs. Current law (R.S. 47:120.37(B)) also 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.

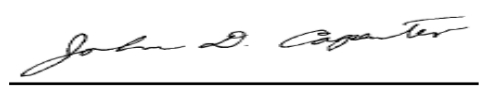
If the Department of Revenue does not remove checkoffs from the form, then to accommodate additional checkoff options (this one and others contemplated) the Department will likely have to redesign the tax form. Additional costs depend on the redesign chosen (redesign entire form to fit more lines, add a new schedule/page for checkoffs, change to a code entry for each checkoff such as is done for credits), but all involve additional printing, system processing modifications, and taxpayer/preparer communication and support. The Department estimates one-time set up costs of staff time could be several thousand dollars from existing budget, depending on the number of checkoffs being accommodated and the amount of redesign necessary.

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 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.

- | | | |
|---|----------------------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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