



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 5953 (Substitute H-1 as passed by the House)
Sponsor: Representative Fulton Sheen
House Committee: Veterans Affairs and Homeland Security
Senate Committee: Senior Citizens and Veterans Affairs

Date Completed: 8-2-04

CONTENT

The bill would amend the Income Tax Act do both of the following:

- Allow a taxpayer to designate on his or her annual return a contribution of \$1 or more toward the "Military Family Relief Fund" proposed by Senate Bill 1269 and House Bill 5954.**
- Allocate 80% of the money designated on annual tax returns to the proposed Fund and 20% to the Post Fund and Posthumous Fund of the Michigan Soldiers' Home.**

The bill provides that, for tax years beginning after December 31, 2003, and before January 1, 2008, a taxpayer could designate on his or her annual return that a contribution of \$1 or more be credited to the Military Family Relief Fund. An amount equal to the cumulative designations, minus the amount appropriated to the Department of Treasury to implement the bill, would have to be distributed each fiscal year to the Department of Military and Veterans Affairs. Of that distribution, 80% would have to go to the proposed Military Family Relief Fund and 20% to the Post Fund and Posthumous Fund of the Michigan Soldiers' Home. Money appropriated pursuant to the bill would have to be in addition to any allocations and appropriations and would be "intended to enhance appropriations from the general fund and not to replace or supplant those appropriations".

The bill is tie-barred to either Senate Bill 1269 or House Bill 5954, both of which would create the Military Family Relief Fund Act and provide for grants from the Fund to a "qualified individual" or his or her family. (Under those bills, "qualified individual" would mean a member of a reserve component of the U.S. armed forces based in Michigan, or a Michigan resident serving in a reserve component in another state, who is called to active duty as a result of national response to September 11, 2001, or a national emergency declared by the President and for which Federal funds are spent.)

Proposed MCL 206.438

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State. The bill would allow taxpayers to designate on their annual returns a contribution of \$1 or more to the Military Family Relief Fund. The number of people who might choose to contribute to the Fund and the annual amount raised by such contributions cannot be determined. However, when the

State of Michigan permitted income tax checkoff contributions between 1991-1999 for the Children's Trust Fund and the Non-Game Wildlife Fund, annual contributions averaged \$771,351 and \$569,081, respectively.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.