



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 347 (Substitute S-2 as reported)
Senate Bill 348 (Substitute S-1 as reported)
Sponsor: Senator Patricia L. Birkholz
Committee: Finance

CONTENT

Senate Bill 347 (S-2) would amend the Income Tax Act to allow an individual to designate on his or her annual tax return that contributions of \$5, \$10, or more of his or her State income tax refund (or additional tax liability) be credited to any of the funds specified in the bill. The bill also would require the Department of Treasury to create a schedule of the specified contribution designations (check-offs) to be included with an annual income tax return. The Department could discontinue a check-off that failed to raise \$100,000 in a tax year for two consecutive years.

The following check-offs would have to be included in the contributions schedule:

- The Prostate Cancer Research Fund.
- Amanda's Fund for Breast Cancer Research.
- The Animal Welfare Fund.
- The Michigan Housing and Community Development Fund.
- The Michigan Higher Education Assistance Authority (for the Children of Veterans Tuition Grant Program) (beginning with the 2010 tax year).
- The Children's Trust Fund (beginning with the 2010 tax year).

Senate Bill 348 (S-1) would create the "Amanda's Fund for Breast Cancer Research Act" to establish that Fund in the Department of Community Health (DCH), to provide funds to promote research in this State relating to breast cancer. The DCH would be required to do all of the following with the money from the Fund:

- Support the development of a statewide breast cancer research plan.
- Provide information to the public about the value of breast cancer research and early detection.
- Develop and publicize criteria for proposals to be funded under the bill.
- Review and approve proposals to be funded.

The DCH would have to solicit proposals for funding and determine which to fund. Money in the Fund would have to be used to fund, at least, proposals for applied breast cancer research, and community education programs to raise awareness through county, city, or township programs. Money from the Fund could be used as matching funds for a Federal grant or a grant from the National Cancer Institute.

Senate Bill 347 (S-2) is tie-barred to Senate Bills 16, 348, and 350. Senate Bill 348 (S-1) is tie-barred to Senate Bill 347. (Senate Bills 16 and 350 would create the "Prostate Cancer Research Fund Act" and the "Animal Welfare Fund Act", respectively.)

MCL 206.437 et al. (S.B. 347)

Legislative Analyst: Craig Laurie

FISCAL IMPACT

Senate Bill 347 (S-2) is designed to simplify the process of adding new check-off contributions to the income tax forms. Each time a check-off is added, the Department of Treasury incurs administrative costs for implementing the necessary changes to the forms, and for processing the various contributions.

In 2004, the Department of Treasury received \$1.2 million in contributions to the Military Family Relief Fund. On average, the total amount of contributions in a given tax year has ranged from \$1 million to \$1.8 million. It is difficult to predict whether the addition of choices for check-off contributions would increase the total amount of contributions, or reduce the distribution to any given fund.

Senate Bill 348 (S-1): The Department of Community Health would likely see a moderate increase in administrative cost upon passage of the bill. Additional staff resources would need to be devoted to the development of a breast cancer research plan, administration of public education activities, and the review of research proposals.

Publicly operated universities and health facilities could be eligible for grant awards and could see a positive fiscal benefit associated with the creation of the Fund for Breast Cancer Research.

Date Completed: 3-22-07

Fiscal Analyst: David Fosdick
Stephanie Yu

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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.