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BILL ANALYSIS

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House Bill 4557 (Substitute S-1 as reported)
Sponsor: Representative Richard LeBlanc
House Committee: Military and Veterans Affairs and Homeland Security
Senate Committee: Senior Citizens and Veterans Affairs

CONTENT

The bill would amend the Income Tax Act to allow a tax check-off contribution of \$5, \$10, or more for the Military Family Relief Fund for the 2010 tax year and each year after that.

Under the Act, an individual may designate on his or her annual return that contributions of \$5, \$10, or more of the taxpayer's refund be credited to certain funds or organizations. If an individual's refund is not sufficient to make a contribution, he or she may designate a contribution amount to be added to his or her tax liability for the tax year. The bill would include in this provision a contribution designation for the 2010 tax year and each tax year after that for the Military Family Relief Fund.

The Act requires the Department of Treasury to establish and use a separate contributions schedule for authorized contribution designations. Certain contribution designations must remain on the first page of the tax return for the 2008 and 2009 tax years, but must be incorporated into the contributions schedule for the 2010 tax year and remain on the schedule until the contribution designation either expires by law or is otherwise no longer available as determined by the Department (which may cease to include a contribution designation on the schedule if it fails to raise \$100,000 in any tax year for two consecutive years). The bill would include a contribution designated for the Military Family Relief Fund under Section 438 in this provision. (That section allows a taxpayer, for tax years beginning after December 31, 2003, and before January 1, 2008, to designate on his or her annual return a contribution of \$1 or more of his or her refund or additional tax liability to be credited to the Military Family Relief Fund.)

MCL 206.435

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State government, but would allow for continuing contributions on income tax forms to the Military Family Relief Fund. The Fund provides grants to military families in need of financial assistance. Total annual contributions have ranged from approximately \$550,000 to \$1.2 million. Since its beginning in tax year 2004, the Fund has received donations totaling \$2,577,000.

Date Completed: 5-8-08

Fiscal Analyst: Stephanie Yu