



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 5476 (as passed by the House)
Sponsor: Representative Barb Byrum
House Committee: Commerce
Senate Committee: Finance

Date Completed: 4-16-08

CONTENT

The bill would amend the Income Tax Act to add the Michigan Law Enforcement Officers Memorial Monument Fund to funds listed on the schedule of contribution designations (check-offs) included with a taxpayer's income tax return.

Under the Act, an individual may 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 Act. The Department of Treasury must create a schedule of the specified check-offs to be included with an annual income tax return. New check-offs added to the Act must be incorporated as soon as practical on the schedule and the Department may discontinue a check-off that fails to raise \$100,000 in a tax year for two consecutive years.

Currently, check-offs on the schedule include the Children of Veterans Tuition Grant Program, the Children's Trust Fund, the Prostate Cancer Research Fund, Amanda's Fund For Breast Cancer Prevention and Treatment, the Animal Welfare Fund, and the Michigan Housing and Community Development Fund. The bill would create a new check-off for the Michigan Law Enforcement Memorial Monument Fund.

(The Michigan Law Enforcement Memorial Monument Fund, established under the Michigan Law Enforcement Officers Memorial Act, is governed by a commission required to oversee the financing, design, and construction of a memorial monument dedicated to law enforcement officers from Michigan who died in the line of duty.)

MCL 206.435

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State government. 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 2005, the Department of Treasury received \$2.2 million in total contributions to the three check-offs then available. On average, the total amount of contributions in a given tax year has ranged from \$1 million to \$2.2 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. Money in the Michigan Law Enforcement Officers

Memorial Monument Fund must be used for the construction and maintenance of a memorial monument to law enforcement officers who died in the line of duty.

Fiscal Analyst: Stephanie Yu

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