



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

Senate Bills 1409 and 1410 (as introduced 6-30-10)

(as enrolled)

Sponsor: Senator John Pappageorge (S.B. 1409) Senator Gilda Z. Jacobs (S.B. 1410)

Seliator Gilua Z. Jacobs (S.b

Committee: Finance

Date Completed: 11-9-10

CONTENT

<u>Senate Bill 1409</u> would amend the Income Tax Act to create a tax check-off for the Girl Scouts of Michigan Fund, beginning with the 2011 tax year. <u>Senate Bill 1410</u> would create the "Girl Scouts of Michigan Fund Act" to create the Fund, require amounts from the proposed check-off to be credited to it, and provide for distribution of money in the Fund.

The bills are tie-barred.

Senate Bill 1409

The Income Tax Act allows 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 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 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.

Under the bill, the schedule would include the Girl Scouts of Michigan Fund, for the 2011 tax year and each subsequent tax year.

Senate Bill 1410

The bill would create the "Girl Scouts of Michigan Fund" in the Department of Treasury to provide funds for donation to any Girl Scout organization located in the State "to prepare young people to make ethical and moral choices over their lifetimes by instilling in them the values of the scout oath and law".

The State Treasurer would have to credit to the Fund all amounts appropriated for this purpose under the Income Tax Act. The Fund would include these amounts, any interest and earnings from the saving and investment of that money, and other appropriations, money, or other things of value received by the Fund.

The money, interest, and earnings of the Fund could be spent solely for the purposes described in the bill. Money granted or received as a gift to the Fund would be available for distribution and appropriation to each county from which a contribution, gift, or donation was received.

Page 1 of 2 sb1409&1410/0910

Money in the Fund could be used as matching funds for a Federal grant if those funds were to be used for the purposes described above.

The money in the Fund that was available for distribution would have to be appropriated each year. Money in the Fund at the close of the fiscal year would remain in the Fund.

MCL 206.435 (S.B. 1409)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have a minimal impact on the administrative costs of the Department of Treasury, with some minor additional costs to adjust forms and account for revenue from the proposed income tax check-off.

Fiscal Analyst: Elizabeth Pratt