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Senate Bills 381 and 382 (as introduced 5-17-11)
Sponsor: Senator Rick Jones
Committee: Finance

Date Completed: 5-18-11

CONTENT

Senate Bill 381 would create the "Special Olympics Michigan Fund Act" to create the Fund, require amounts from a proposed income tax check-off to be credited to it, and provide for distribution of money in the Fund to Special Olympics Michigan. **Senate Bill 382** would amend the Income Tax Act to create a tax check-off for the proposed Fund, beginning with the 2012 tax year.

The bills are tie-barred.

Senate Bill 381

The bill would create the Special Olympics Michigan Fund in the Department of Treasury to provide funds for donation to Special Olympics Michigan.

The State Treasurer would have to credit to the Fund all amounts appropriated for this purpose under Section 435 of the Income Tax Act (which provides for tax check-offs), and money from any other source for deposit into the Fund. The Fund would include these amounts and any interest and earnings from the saving and investment of the tax check-off proceeds.

The money, interest, and earnings of the Fund could be spent solely for donation to Special Olympics Michigan.

The money in the Fund that was available for distribution would have to be appropriated each year. Money granted or received as a gift to the Fund would be available for distribution upon appropriation. Money in the Fund at the close of the fiscal year would remain in the Fund.

The State Treasurer would have to direct the investment of the Fund, and the Department would be the administrator of the Fund for auditing purposes.

Senate Bill 382

Section 435 of 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 Special Olympics Michigan Fund, for the 2012 tax year and each subsequent tax year.

MCL 206.435 (S.B. 382)

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