



**Senate Fiscal Agency**  
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BILL  ANALYSIS

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Senate Bill 150 (as enacted)  
House Bill 4082 (as enacted)  
Sponsor: Senator John Pappageorge (S.B. 150)  
Representative Matt Lori (H.B. 4082)  
Senate Committee: Finance (S.B. 150)  
Government Operations (H.B. 4082)  
House Committee: Tax Policy (H.B. 4082)

**PUBLIC ACT 90 of 2013**  
**PUBLIC ACT 88 of 2013**

Date Completed: 7-26-13

**RATIONALE**

According to the national Alzheimer's Association, approximately 180,000 individuals in Michigan aged 65 and older had Alzheimer's disease in 2010, and this number is projected to grow to 190,000 by 2025. In addition, an unknown number of individuals under 65 also have the disease. In many cases, those with Alzheimer's disease or related dementia are taken care of by unpaid caregivers, primarily family members. In Michigan, according to the Association, some 507,000 caregivers provided approximately 577.0 million hours of unpaid care, valued at over \$7.1 billion, in 2012. Services for individuals with the disease and their families, as well as other caregivers, are available from two Michigan chapters of the Alzheimer's Association. The Greater Michigan Chapter, which serves 60 counties, is headquartered in Southfield and has five regional offices. The Michigan Great Lakes Chapter, serving 23 counties, is headquartered in Chelsea and has three regional offices. Both chapters are tax-exempt, nonprofit organizations supported by contributions from individuals, corporations, and foundations. To provide another source of revenue for the Alzheimer's Association chapters, and the services they provide to unpaid caregivers in particular, it was suggested that people should be given an opportunity to donate when filing their income tax returns.

**Michigan Alzheimer's Association Fund, beginning with the 2013 tax year. House Bill 4082 enacted the "Michigan Alzheimer's Association Fund Act" to create the Fund; require amounts from the new income tax check-off to be credited to it; and provide for distribution of money in the Fund to the Greater Michigan Chapter and the Michigan Great Lakes Chapter of the Alzheimer's Association to benefit programs and services for unpaid caregivers.**

The bills were tie-barred and took effect on June 28, 2013.

**Senate Bill 150**

Section 435 of the Income Tax Act allows an individual to designate on his or her annual tax return that a contribution 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. The schedule may not include more than 10 separate check-offs in a single year, and the Department must discontinue a check-off that fails to raise \$50,000 in a tax year for two consecutive years.

**CONTENT**

**Senate Bill 150 amended the Income Tax Act to create a tax check-off for the**

Check-offs on the schedule include the Animal Welfare Fund, the Children of Veterans Tuition Grant Program, the Children's Trust Fund, the Girl Scouts of

Michigan Fund, the Military Family Relief Fund, the Special Olympics Fund, and the United Way Fund.

Under the bill, the schedule also includes the Michigan Alzheimer's Association Fund, for the 2013 tax year and each subsequent tax year.

The bill also added to the schedule the ALS of Michigan ("Lou Gehrig's Disease") Fund and the Michigan Amber Alert Fund. (Those Funds were created by Public Acts 89 and 92 of 2013, respectively.)

### **House Bill 4082**

The bill created the "Michigan Alzheimer's Association Fund" in the Department of Treasury to provide funds to benefit the programs and services for unpaid caregivers of individuals with Alzheimer's disease provided by the Greater Michigan Chapter and the Michigan Great Lakes Chapter of the Alzheimer's Association.

The State Treasurer must credit to the Fund all amounts appropriated for this purpose under Section 435 of the Income Tax Act, and money from any other source for deposit into the Fund. The Fund will consist of 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 may be spent solely for donation to the Greater Michigan Chapter of the Alzheimer's Association for distribution to the Greater Michigan and Michigan Great Lakes Chapters of the Alzheimer's Association.

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

The State Treasurer must direct the investment of the Fund, and the Department will be the administrator of the Fund for auditing purposes.

MCL 206.435 (S.B. 150)  
206.961-206.969 (H.B. 4082)

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

Services and programs for unpaid caregivers are important to their own health and welfare. Caring for an individual with Alzheimer's disease or another form of dementia can be very difficult, and many family members and other unpaid caregivers experience high levels of emotional stress and depression as a result. Caregiving also may have a negative impact on the physical health, employment, income, and financial security of caregivers. According to the Alzheimer's Association, over half are the primary breadwinners of the household, nearly half are employed full- or part-time, and just over one-quarter of family caregivers have children under 18 living with them. Even after a person with Alzheimer's or other dementia moves to an assisted living facility or nursing home, the caregivers often continue to help with activities of daily living, such as bathing and dressing, as well as assist with legal and financial affairs, arrange medical care, and provide emotional support.

The Michigan chapters of the Alzheimer's Association provide a variety of services that benefit caregivers. These services include, for example, respite programs, support groups, care consultations, 24/7 helplines, and online message boards and chat rooms. The Respite Care Assistance Program also provides financial assistance to eligible caregivers.

Of the money the chapters raise, 78% to 80% is used for programs, services, and research efforts. The lion's share of their income comes from contributions, events, grants, and bequests. Like nearly everyone else in today's economy, the organizations have felt the impact of budget cuts. The bills provide an easy and convenient way for Michigan taxpayers to contribute to the State's two Alzheimer's Association chapters, through a check-off on the income tax form. The donated funds will be specifically directed toward programs and services for unpaid caregivers.

Legislative Analyst: Suzanne Lowe

**FISCAL IMPACT**

The revenue from the income tax check-offs for the Michigan Alzheimer's Association Fund, the ALS of Michigan ("Lou Gehrig's Disease") Fund and the Michigan Amber Alert Fund will depend on the size and number of taxpayer donations. These voluntary contributions will have no impact on State revenue.

The Department of Treasury will incur additional costs of an unknown amount to administer and track the new funds.

The income tax check-off revenue history

in recent years is summarized in the Table 1 below. Several funds that previously were on the voluntary contributions schedule no longer appear on it. These are Amanda's Fund for Breast Cancer, Children's Hospital of Michigan Fund, Children's Miracle Network Fund, Foster Care Trust Fund, Michigan Council for the Arts Fund, Michigan Housing and Community Development Fund, Michigan Law Enforcement Memorial Fund, Prostate Cancer Research, and Renewable Fuels Fund. (Those that did not receive revenue during the three years shown on Table 1 are not listed on the table.)

**Table 1**  
**Estimated Income Tax Check-Off Donations by Fund**

	Tax Year 2010		Tax Year 2011 <sup>a)</sup>		Tax Year 2012 <sup>a)</sup>	
	Number of Donations	Total Donated	Number of Donations	Total Donated	Number of Donations	Total Donated
Animal Welfare Fund <sup>1)</sup>	10,852	\$148,164	10,800	\$125,636	11,049	\$123,421
Children's Hospital of MI Fund	7,418	90,853				
Children's Miracle Network Fund	4,707	56,901				
Children's Trust Fund <sup>1)</sup>	7,387	92,631	8,499	88,839	8,126	84,009
Children of Veterans Tuition Grant Program <sup>1)</sup>	5,928	76,417	5,878	70,374	5,890	64,094
Foster Care Trust Fund	3,467	40,057				
Girl Scouts of Michigan Fund <sup>1)</sup>			3,500	44,163	3,277	38,844
Michigan Military Relief Fund <sup>1)</sup>	7,443	128,603	9,463	134,757	9,582	131,289
Michigan Council for the Arts Fund	3,356	34,677				
Renewable Fuels Fund	2,589	23,648				
Special Olympics Michigan <sup>1)</sup>					5,521	75,976
United Way Fund <sup>1)</sup>	7,747	389,080	5,574	163,937	5,016	163,169
Total		\$1,081,031		\$627,706		\$680,802

<sup>a)</sup> Collections through May 23, 2013.

<sup>1)</sup> Check-offs on the 2012 contribution schedule.

Source: Department of Treasury

Fiscal Analyst: Elizabeth Pratt