Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

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

Senate Bills 645 and 646 (as introduced 10-24-13)
Sponsor: Senator Roger Kahn, M.D.
Committee: Finance

Date Completed: 4-28-14

CONTENT

Senate Bill 645 would amend the Girl Scouts of Michigan Fund Act, and **Senate Bill 646** would amend the Income Tax Act, to do the following:

-- **Include Boy Scouts in the Girl Scouts of Michigan Fund.**
-- **Provide for income tax check-off donations to the expanded Fund beginning with the 2014 tax year.**
-- **Require money from the donations to be disbursed equally between Girl Scouts organizations and Boy Scouts organizations in Michigan.**

The bills are tie-barred.

Senate Bill 645

Under the Girl Scouts of Michigan Fund Act, the Fund is created in the Department of Treasury to provide funds for donation to girl scout organizations located in Michigan, "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 is required to credit to the Fund all amounts appropriated for this purpose under Section 435 of the Income Tax Act (which provides for individual income tax check-off donations to this and other funds).

The money, interest, and earnings of the Fund must be spent solely for the purposes described in the Girl Scouts of Michigan Fund Act. Money granted or received as a gift or donation to the Fund is available for distribution and appropriation to each county from which a contribution, gift, or donation was received.

The bill would rename the Act as the "Girl Scouts and Boy Scouts of Michigan Fund Act" and would rename the Fund accordingly. The Fund would provide funds for donation to Girl Scouts organizations and Boy Scouts organizations located in Michigan, to prepare young people as described above.

The bill would require that money in the Fund be disbursed equally between the Girl Scouts organizations and the Boy Scouts organizations located in the State.

Senate Bill 646

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 listed 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.

Beginning with the 2011 tax year, the funds on the schedule of check-offs have included the Girl Scouts of Michigan Fund. Under the bill, instead, the funds would include the Girl Scouts and Boy Scouts of Michigan Fund, for the 2014 tax year and each subsequent tax year.

MCL 206.921-206.924 (S.B. 645)   Legislative Analyst: Suzanne Lowe
  206.435 (S.B. 646)

FISCAL IMPACT

The bills would have no fiscal impact on State or local government. The check-off provisions on individual income tax returns are for voluntary donations and do not affect State revenue. There currently is a check-off for Girl Scouts of Michigan. Donations to the Girl Scouts of Michigan through the check-off were $59,505 for tax year 2011 and $41,677 for tax year 2012. Tax year 2013 data are not yet complete. Current law provides that if a check-off raises less than $50,000 for two consecutive years, the organization must be removed from the tax form. Adding the Boy Scouts to the check-off would keep it on individual income tax forms for 2014 and 2015, even if the donations to the Girl Scouts of Michigan for 2013 are less than $50,000. Revenue from the check-off for the Girl Scouts and Boy Scouts of Michigan would be divided equally between the two groups.

Fiscal Analyst: Elizabeth Pratt

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