



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 30** SLS 11RS 171

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2011	5:21 PM	Author: WALSWORTH
Dept./Agy.: Revenue		
Subject: Income Tax Checkoffs - State Bicentennial / Battle of N.O.		Analyst: Greg Albrecht

REVENUE DEPARTMENT

EG NO IMPACT GF RV See Note

Page 1 of 1

Provides for donations of tax refunds to the Louisiana Bicentennial Commission through a check-off box on state income tax returns.

Allows donation of personal income tax refunds by checkoff to the Louisiana Bicentennial Commission and the Battle of New Orleans Bicentennial Commission. Donated amounts are to be remitted by the Department of Revenue to Louisiana Historical Legacy Incorporated.

Effective for taxable years beginning on or after January 1, 2011 and before January 1, 2016.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
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Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Adding an additional checkoff to the tax return, in isolation, involves relatively small costs associated with data processing modifications, accounting, and disbursing of any refunds donated. In addition, R.S. 47:120.37 authorizes a 20% fee from the donated amounts to defray these costs. Current law (R.S. 47:120.37(B)) also provides that existing checkoffs be removed from the tax return if they have not generated at least \$10,000 per year for two consecutive years. This bill specifically provides for a limited time that these two checkoffs are available; the five tax years of 2011 - 2015.

If the Department of Revenue does not remove checkoffs from the form, then to accommodate additional checkoff options (this one and others contemplated) the Department will likely have to redesign the tax form. Additional costs depend on the redesign chosen (redesign entire form to fit more lines, add a new schedule/page for checkoffs, change to a code entry for each checkoff etc.), but all involve additional printing, system processing modifications, and taxpayer/preparer communication and support. The Department estimates one-time set up costs of staff time could be several thousand dollars from existing budget, depending on the number of checkoffs being accommodated and the amount of redesign necessary.

REVENUE EXPLANATION

There will be no effect on state tax collections since only refunds or other amounts specifically paid by taxpayers will be donated. The willingness of taxpayers to donate all or part of their tax refunds to any particular purpose can not be predicted. The amount of donations to any particular purpose is likely to be small.

For fiscal year 2010 (the latest year for which the department has information on checkoffs) the eight checkoffs reported for that year received donations from 16,253 returns out of 2.039 million total returns filed (0.8% of returns); total donations for all purposes were \$341,521; donations per checkoff purpose were a high of \$116,391 and a low of \$227; and, the average donation per contributing return was \$21.01.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	H. Gordon Monk Legislative Fiscal Officer