

MINNESOTA • REVENUE

**INDIVIDUAL INCOME TAX
CORPORATE FRANCHISE TAX
PROPERTY TAX REFUND
Multiple Sclerosis Checkoff**

February 4, 2011

Department of Revenue
Analysis of H.F. 108 (Nelson)

	Yes	No
DOR Administrative Costs/Savings	X	

	<u>Fund Impact</u>			
	<u>F.Y. 2012</u>	<u>F.Y. 2013</u>	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>
		(000's)		
M. S. Research and Assistance Account*	\$180	\$182	\$184	\$185

*Before appropriation for administrative costs

Effective beginning with tax year 2011.

EXPLANATION OF THE BILL

Current Law: A taxpayer may make a donation to the Nongame Wildlife Fund by entering an amount for that purpose, termed a checkoff, on the individual income tax return, the corporate franchise tax return, or the property tax refund return. Such a donation increases the taxpayer's tax liability or reduces the refund.

Proposed Law: The bill would create a similar checkoff for a donation to the Minnesota chapter of the National Multiple Sclerosis Society. Proceeds are to be used for research into multiple sclerosis or for programs that mitigate the effects of the disease on those suffering from it. Funds from the checkoff would be deposited in the Multiple Sclerosis Research and Assistance Account. Costs to administer the checkoff would be appropriated from the account.

REVENUE ANALYSIS DETAIL

- In 2009 about 60,500 Minnesota taxpayers contributed to the nongame wildlife fund via the income tax return and about 8,500 did so via the property tax refund return. (Corporate donations were negligible.) Total receipts were nearly \$1.1 million, with an average donation amount of \$15.71.
- A few states have multiple sclerosis checkoffs. All of them have ten or more checkoffs available, which would tend to reduce the amount contributed via any one checkoff. Wisconsin, with 10 checkoffs, had an average donation for multiple sclerosis of under \$12 by 8,300 donors, while Colorado, with 14 checkoffs, had an average donation of just over \$9 by 9,300 donors.
- It is assumed that 15,000 Minnesotans would donate an average of \$12 for a total of \$180,000 in tax year 2011.
- It is assumed that annual growth would be 1%.
- Tax year impacts were allocated to the following fiscal year.

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy