

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX Tax Checkoff for Various Funds

April 4, 2011

Senate Author Added

	Yes	No
DOR Administrative Costs/Savings	X	

Department of Revenue
Analysis of H.F. 247 (Davids) / S.F. 872 (Ortman)

	Fund Impact			
	<u>F.Y. 2012</u>	<u>F.Y. 2013</u>	<u>F.Y. 2014</u>	<u>F.Y. 2015</u>
All Funds	Unknown	Unknown	Unknown	Unknown

(000's)

Effective beginning with tax year 2011.

EXPLANATION OF THE BILL

Current law allows a taxpayer to donate \$1 or more to the Nongame Wildlife Fund via a checkoff on the individual income tax form or the property tax refund form.

The bill creates a second checkoff that would allow a similar contribution on the individual income tax form of a minimum amount. (The minimum amount is left blank in the bill.) The bill would allow a taxpayer to designate a purpose for which the checkoff would be used. The purpose would be a general purpose consistent with the existing services and programs of state government. The checkoff would be credited to the fund that is most closely related to the designated purpose. If the contribution does not have a designated purpose, or if the purpose is unclear, the contribution would be credited to the general fund.

REVENUE ANALYSIS DETAIL

- The nongame wildlife checkoff on the individual income tax return raised about \$1 million in tax year 2009 via contributions from over 60,500 taxpayers.
- Although most states have one or more checkoffs, all are targeted to specific purposes. Because no comparison to the experience of other states is possible, taxpayer response is unknown.

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