

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX Peace Officer/Firefighter Memorial Checkoff

March 27, 2002

	Yes	No
Separate Official Fiscal Note Requested	X	
Fiscal Impact		
DOR Administrative Costs/Savings	X	

Department of Revenue

Analysis of H.F. 2958(Vandever)– **As Amended by H2958DE1**

	Revenue Gain or (Loss)			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>
		(000's)		
Special Revenue Fund	\$	\$280	\$310	\$330

Effective for tax year 2002.

EXPLANATION OF THE BILL

Current Law: Currently there is a state-funded political party checkoff and a taxpayer funded nongame wildlife checkoff on the income tax form.

Proposed Law: This bill would establish a new taxpayer-funded checkoff on the income tax form allowing the taxpayer to designate \$1 or more to be added to the tax or deducted from the refund to be paid into a fund for a peace officer and firefighter memorial and survivor account.

REVENUE ANALYSIS DETAIL

The current wildlife checkoff is used on about 3% of income tax returns with an average of \$12.78 in tax year 2000 for a total of \$930,000 from approximately 73,000 returns. It will be assumed a new credit will not match that level for several years even though it might appeal to a different segment of the taxpaying public. It is estimated to be used on 27,000 returns the first year at an average of \$10.50 for a total designation of \$280,000. Growth is estimated at 8 percent.

NUMBER OF RETURNS: 27,000.

ADMINISTRATIVE/OPERATIONAL IMPACT

There will be administrative or operational costs for DOR in administration of this bill.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>

hf2958(sf2887)-2/ch