

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX Public Safety Officer Memorial/Survivor Checkoff

April 10, 2003

Department of Revenue
Analysis of H.F. 283 (Vandev eer) / S.F. 736 (Bachmann)

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

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>FY2007</u>
		(000's)		
Special Revenue Fund	\$280	\$310	\$330	\$360

Effective beginning with tax year 2003.

EXPLANATION OF THE BILL

Current Law: Currently a state-funded political party checkoff and a taxpayer-funded nongame wildlife checkoff are on the individual 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 public safety officer memorial and survivor account in the Special Revenue Fund.

REVENUE ANALYSIS DETAIL

- The current nongame wildlife checkoff is used on about 3% of income tax returns with an average of \$13.43 in tax year 2001 for a total of \$1.0 million from approximately 76,000 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%.

Number of Taxpayers Affected: about 27,000 returns.

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