

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX CORPORATE FRANCHISE TAX PROPERTY TAX REFUND War on Terrorism Veteran Checkoff

March 26, 2004

Department of Revenue
Analysis of H.F.3100 (Zellers)/ S.F.2881 (Kleis)

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

	Revenue Gain or (Loss)			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
		(000's)		
Specified Account	\$0	\$280	\$310	\$330

Effective beginning with tax year 2004.

EXPLANATION OF THE BILL

Current Law: A taxpayer-funded nongame wildlife checkoff is on the individual income tax return, property tax refund return, and corporate franchise tax return.

Proposed Law: This bill would establish a new taxpayer-funded checkoff on the individual income tax, corporate franchise tax, and property tax refund forms allowing the taxpayer to designate \$1 or more to be added to the tax or deducted from the refund to be paid into an account for veterans of the global war on terrorism.

REVENUE ANALYSIS DETAIL

- The current nongame wildlife checkoff is used on about 3% of income tax returns with an average of \$13.70 in tax year 2002 for a total of \$1 million from approximately 77,000 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 designated revenue amount of \$280,000. Growth is estimated at 8%.

Number of Taxpayers: About 27,000 returns.

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