

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX Public Safety Memorial Checkoff

April 18, 2005

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

Department of Revenue
Analysis of H.F. 887 (Vanderveer)/ S.F. 1236 (Bachmann)

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
	(000's)			
Public Safety Officer Memorial and Survivor Account, Special Revenue Fund	\$280	\$310	\$330	\$360

Effective beginning with tax year 2005.

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 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 public safety officer memorial and survivor account.

REVENUE ANALYSIS DETAIL

- The current nongame wildlife checkoff is used on about 3% of income tax returns with an average of \$14.48 in tax year 2003 for a total of \$1.1 million from approximately 74,000 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 \$284,000. Growth is estimated at 8% annually.

Number of Taxpayers: About 27,000 returns in the first year.

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

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