

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX Public Safety Memorial Checkoff

April 24, 2006

Department of Revenue
Analysis of H.F. 2995 (Vandev eer) / S.F. 2551 (Reiter)

	Yes	No
DOR Administrative Costs/Savings	X	

Public Safety Officer Memorial
and Survivor Account,
Special Revenue Fund

	Fund Impact			
	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>
	(000's)			
	\$0	\$260	\$280	\$310

Effective beginning with tax year 2006.

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 \$14.89 in tax year 2004 for a total of \$1.0 million from approximately 68,000 returns.
- It will be assumed a new checkoff will not match that level for several years, even though it might appeal to a different segment of the taxpaying public.
- It is estimated that the proposed checkoff would be used on 25,000 returns the first year at an average of \$10.50 for a total designated revenue amount of \$263,000. Growth is estimated at 8% annually.
- Tax year impacts are allocated to the following fiscal year.

Number of Taxpayers: An estimated 25,000 returns in the first year.

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

hf2995/sf2551/gt