

DEPARTMENT OF TAXATION

2003 Fiscal Impact Statement

1. **Patron** Edwards

2. **Bill Number** SB 1096

3. **Committee** House Finance

House of Origin:

☐ **Introduced**

☐ **Substitute**

☐ **Engrossed**

4. **Title** Individual Income Tax: Art Museum of
Western Virginia Check-off

Second House:

☒ **In Committee**

☐ **Substitute**

☐ **Enrolled**

5. **Summary/Purpose:**

This bill would create an individual income tax check-off for voluntary contributions to the Art Museum of Western Virginia to be used to assist in its mission of promoting art through its collections, education and outreach programs.

This bill would be effective for taxable years beginning on or after January 1, 2004, but before January 1, 2009.

6. **Fiscal Impact Estimates are:** None. (See Line 8.)

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2002-03	\$23,800	GF
2003-04	\$105,990	GF
2004-05	\$0	GF

7. **Budget amendment necessary:** Yes

ITEM(S): 283 and 285, Department of Taxation

8. **Fiscal implications:**

The Department would incur administrative costs of \$23,800 in FY 2003 and \$105,900 in FY 2004 for systems modifications and forms development as a result of this bill. Ongoing costs for systems maintenance would be minimal.

For taxable years beginning on or after January 1, 2003, the Department of Taxation is allowed to retain up to five percent of all voluntary contributions made for the taxable year for its costs to administer voluntary contributions. However, the department cannot retain more than \$50,000 for any taxable year.

This bill would have no impact in the General Fund revenues because check-offs are voluntary contributions made by taxpayers that reduce their income tax refunds.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: None.

11. Other comments:

This bill would allow individuals who are due a tax refund to contribute one dollar or more to the Art Museum of Western Virginia to be used to assist in its mission of promoting art through its collections, education and outreach programs. This bill would be effective for taxable years beginning on or after January 1, 2004, but before January 1, 2009.

Virginia has twenty-three active voluntary contribution check-off provisions. Fourteen are permanent and nine sunset. The following illustrates their status:

Voluntary Check-off Contribution	Current Expiration Date
Center for Government Studies	January 1, 2005
Chesapeake Bay Restoration	None
Children of America Finding Hope	None
Community Policing Fund	None
Elderly Transportation Fund	None
Family and Children's Trust Fund	None
Historic Resources Fund	January 1, 2004
Home Energy Assistance Fund	None
Jamestown-Yorktown Foundation	January 1, 2008
Law and Economics Center	January 1, 2005
Nongame Wildlife	None
Open Space Recreation and Conservation Fund	None
Organ and Tissue Donation	January 1, 2007
Political Parties	None
Public School Foundation	January 1, 2007
State Forest Systems Fund	None
Uninsured Medical Catastrophe	None
U.S. Olympic Committee	None
Virginia Arts Foundation	None
Virginia Foundation for the Humanities and Public Policy Fund	January 1, 2005
Virginia Housing Program	None
Virginia War Memorial Foundation and the Nation D-Day Memorial Foundation	January 1, 2008
4-H Educational Center	January 1, 2007

The following charts represents historical data on the individual income tax check-offs:

Program/Fund	1997		1998		1999		2000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Virginia Democratic Party	1,877	\$23,655	1,945	\$25,591	1,656	\$23,743	\$1,221	\$21,458
Virginia Republican Party	1,422	18,611	1,454	19,974	1,255	17,510	880	16,370
Virginia Reform Party	111	871	10	194	0	0	3	50
Virginia Nongame Wildlife Program	9,881	163,454	9,287	156,194	8,716	151,902	6,477	132,067
Virginia Housing Program	2,667	29,596	2,961	37,286	2,506	33,756	1,347	26,763
Virginia Open Space Recreation and Conservation Fund	4,342	52,920	4,138	51,232	3,905	52,215	2,362	44,278
Virginia Family and Children's Trust Fund (FACT)	3,588	40,988	3,306	42,227	3,224	42,304	1,627	31,182
Virginia Elderly and Disabled Transportation Fund	4,113	47,445	4,263	54,421	4,203	60,353	2,633	51,131
United States Olympic Committee	3,220	33,304	2,338	24,284	2,470	30,065	1,442	23,058
Community Policing Fund	2,042	21,179	1,838	19,478	1,434	15,888	499	9,090
Virginia Arts Foundation	2,410	25,964	2,668	30,077	2,077	25,706	1,120	20,358
Chesapeake Bay Restoration	6,913	98,161	6,673	100,191	7,192	116,956	4,038	81,797
Historic Resources Fund			2,160	22,298	1,607	17,290	602	10,380
State Forests Systems Fund					3,050	34,880	1,754	25,811
Uninsured Medical Catastrophe Fund					2,136	26,976	961	18,666
Humanities & Public Policy					540	4,666	185	3,341
Center for Government Studies					331	3,759	126	2,020
Law & Economics Center					342	4,839	164	2,941
Jamestown-Yorktown Foundation							438	6,958
Total	42,586	\$556,148	43,041	\$583,447	46,644	\$662,807	27,879	\$527,719

Refund Check-Offs In Other States

A survey of check-off contributions of the 40 other states that impose a broad-based income tax on individuals shows that Virginia, with 23 check-offs, offers the most check-offs. The states with the next largest number of check-offs are Oregon, which has 17, and California, which has 11. The average number of check-offs per state is 5.

Other Legislation

House Bill 1635 would create a check-off for the Virginia Federation of Humane Societies.

House Bill 1818 would create a check-off for the Virginia Clean Election Fund.

House Bill 1913 would extend the sunset date of the existing check-off for the Historic Resources Fund

House Bill 2326 would create a check-off for the Tuition Assistance Grant Fund.

House Bill 2355 would create a check-off for the Spay and Neuter Fund.

cc : Secretary of Finance

Date: 01/29/03/TST

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