

**DEPARTMENT OF TAXATION
2007 Fiscal Impact Statement**

1. Patron Sal R. Iaquinto

2. Bill Number HB 2525

3. Committee Passed House and Senate

House of Origin:

☐ Introduced

☐ Substitute

☐ Engrossed

4. Title Individual Income Tax; Voluntary
Contribution for the Spay and Neuter Fund

Second House:

☐ In Committee

☐ Substitute

☒ Enrolled

5. Summary/Purpose:

This bill would change the Spay and Neuter Fund voluntary contribution by distributing the money in the Fund to the localities of the Commonwealth instead of the Virginia Federation of Humane Societies. The Tax Commissioner would be required to annually determine the total amounts designated to the Fund from each locality based on the locality of the filer who made the contribution to the Fund. The State Treasurer would then pay the appropriate amount to each respective locality.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Preliminary. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

Administrative Costs

TAX considers implementation of this bill as routine, and does not require additional funding.

Revenue Impact

This bill would have no impact on state revenue.

9. Specific agency or political subdivisions affected:

Department of Taxation
All localities

10. Technical amendment necessary: No.

11. Other comments:

Current Distributions

The voluntary contribution for the Spay and Neuter Fund was enacted in 2003 and appeared for the first time in the 2004 individual income tax returns. The legislation, however, did not designate an organization to receive the money contributed to the Fund. In 2005, legislation was passed that designated the Virginia Federation of Humane Societies as the organization to administer the Fund.

In taxable year 2004, 1,648 returns designated a voluntary contribution to the Spay and Neuter Fund, for a total of \$36,247. For the taxable year 2005 returns, there were 1,752 contributions with a total of \$37,191.

Proposal

This bill would amend the existing Spay and Neuter Fund to specify that the Fund would be distributed to the localities of the Commonwealth for use in providing low-cost spay and neuter surgeries. In addition, the localities would be allowed to make the funds available to any private, nonprofit sterilization program for dogs and cats located within the locality.

The Tax Commissioner would be required to annually determine the total amounts designated on all returns from each locality in the Commonwealth, based upon the locality that each filer who makes a voluntary contribution to the Fund lists as his permanent address. The State Treasurer would then pay the appropriate amount to each respective locality.

cc : Secretary of Finance

Date: 2/14/2007 AMS
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