

DEPARTMENT OF TAXATION

2008 Fiscal Impact Statement

1. **Patron** Mamie Locke

2. **Bill Number** SB 240

3. **Committee** Senate Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Individual Income Tax: Voluntary
Contribution for the Martin Luther King, Jr.
Living History and Public Policy Center

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would clarify the voluntary contribution for the Martin Luther King, Jr. Living History and Public Policy Center by eliminating inapplicable statutory references. In addition, TAX would be directed to pay any moneys contributed under the voluntary contribution to the Board of Trustees of the Center.

Under current law, no more than 25 voluntary contributions may be listed on the individual income tax returns. Following the statutory process enacted in 2005, TAX has added the voluntary contribution for the Martin Luther King, Jr. Living History and Public Policy Center Fund to the 2007 individual income tax return.

This bill contains an emergency clause which states that it would be in force from its passage.

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

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

Administrative Costs

TAX has not assigned any administrative costs to this bill because the changes required by a single bill such as this can be implemented as part of the annual changes to our systems and forms. As stand-alone legislation, TAX considers implementation of this bill as "routine," and does not require additional funding.

TAX will provide specific administrative costs on any legislation that is not "routine." Additionally, TAX will review all state tax legislation likely to be enacted prior to the passage by each house. If the aggregate number of routine bills likely to pass either house is unusually large, it is possible that additional resources will be required. If so, TAX will identify the costs at that time.

Revenue Impact

This bill would have no revenue impact.

9. Specific agency or political subdivisions affected:

Department of Taxation
Martin Luther King, Jr. Living History and Public Policy Center

10. Technical amendment necessary: Yes.

In order to clarify that all moneys contributed under this voluntary contribution should be sent directly to the Martin Luther King, Jr. Living History and Public Policy Center, the following technical amendment is suggested:

Page 3, Line 163, at the beginning of the line
Strike: Fund

11. Other comments:

Background

The statute that created the voluntary contribution for the Martin Luther King, Jr. Living History and Public Policy Center (the "Center"), which is *Va. Code* § 58.1-344.3 B 24, contains several references to other statutory sections. The first states that all voluntary contributions, "shall be deposited into the Martin Luther King, Jr. Living History and Public Policy Center Fund as established in § 30-192.7." That section, however, establishes the Dr. Martin Luther King, Jr. Commission Fund.

The second reference states, "All moneys so deposited in the Fund shall be administered by the Board of Trustees of the Martin Luther King, Jr. Living History and Public Policy Center in accordance with and for the purposes provided in Article 8 (§ 2.2-2725 et seq.) of Chapter 27 of Title 2.2 and Chapter 27 (§ 30-192 et seq.) of Title 30." *Virginia Code* § 30-192 et seq. establishes the Dr. Martin Luther King, Jr. Memorial Commission. While *Va. Code* § 2.2-2725 et seq. did establish the Center, that section expired on July 1, 2007.

The expiration of the establishing statutory section did not bring to an end to the Center, however. Instead, TAX has been informed that it now operates as a private non-profit organization.

Proposal

This bill would clarify the voluntary contribution for the Martin Luther King, Jr. Living History and Public Policy Center by eliminating inapplicable statutory references. In addition, TAX would be directed to pay any moneys contributed under the voluntary contribution to the Board of Trustees of the Center.

This bill contains an emergency clause which states that it would be in force from its passage.

Similar Legislation

House Bill 1000 would add the Community College Incentive Scholarship Fund to the list of voluntary contributions that may be added to the individual income tax return.

Senate Bill 561 would add community foundations to the list of voluntary contributions that may be added to the individual income tax return.

cc : Secretary of Finance

Date: 1/12/2008 AMS
SB240F161