

DEPARTMENT OF TAXATION

2009 Fiscal Impact Statement

1. **Patron** Margaret G. Vanderhye

2. **Bill Number** HB 2200

3. **Committee** House Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Income Tax: Voluntary Contribution for Every Woman's Life Breast and Cervical Cancer Fund

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would establish the Every Woman's Life Breast and Cervical Cancer Fund, which would be used to help prevent and treat breast and cervical cancer for underserved and uninsured women in Virginia. The Director of the Department of Medical Assistance Services would administer the Fund. In addition, this bill would establish an individual income tax voluntary contribution to support this Fund.

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 intends to add the voluntary contribution for the public library foundations to the 2009 individual income tax return. The order in which voluntary contributions would be added to the return as space becomes available is: (1) Celebrating Special Children, Inc. Fund, (2) Medicare Part D Counseling Fund, (3) Community foundations, (4) Virginia Foundation for Community College Education, and (5) Every Woman's Life Breast and Cervical Cancer Fund.

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 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, as all contributions come from individual income tax refunds or additional payments made by individual taxpayers and not from General Fund revenues.

9. Specific agency or political subdivisions affected:

Department of Taxation
Every Woman's Life Breast and Cervical Cancer Fund

10. Technical amendment necessary: No.

11. Other comments:

Background

In 2004, the General Assembly limited the number of qualifying organizations to 25, and required that organizations receive at least \$10,000 in voluntary contributions annually for at least 3 consecutive years in order to continue to be included on the individual income tax return.

Pursuant to House Bill 2303, which was passed during the 2005 General Assembly Session, TAX is required to report to the Chairmen of the Senate and House Finance Committees the amounts collected for each voluntary contribution for the three most recent taxable years for which there is complete data. This report is also required to list which entities, if any, will be removed from the Virginia individual income tax return because they have failed to meet the \$10,000 per year requirement. Finally, the report must list which entities, if any, will be added to the income tax return in order to bring the total number of voluntary contributions to 25.

Changes to the 2008 Income Tax Return

Two voluntary contributions were removed from the 2008 individual income tax return. They were the contributions for the Office of Commonwealth Preparedness and the Jamestown-Yorktown Foundation. The removal of these voluntary contributions brought the total number of voluntary contributions down to 23. As a result, two new voluntary contributions were allowed to be added to the list for the 2008 income tax return. Under the provisions of House Bill 2303, the voluntary contributions that were added were for the Virginia Caregivers Grant Fund and the Virginia Military Family Relief Fund.

Amounts Collected for Each Voluntary Contribution

The chart below provides the amounts collected for each voluntary contribution that will be listed on the 2008 Virginia individual income tax voluntary contributions for the three previous taxable years.

Amount Collected for Voluntary Contributions - 2005-2007							
Program/Fund	First Return	2005 Return		2006 Return		2007 Return	
		Number	Amount	Number	Amount	Number	Amount
1. Virginia Nongame Wildlife Program	1981	5,757	\$142,237	5,685	\$143,799	6,010	\$148,221
2. Virginia Open Space Recreation and Conservation Fund	1988	2,726	\$63,488	2,661	\$64,209	3,018	\$67,979
3. Combined Political Party Contributions	1982	2,691	\$55,298	2,626	\$53,201	2,919	\$58,834
4. United States Olympic Committee	1988	1,310	\$25,069	1,138	\$22,164	1,345	\$27,765
5. Virginia Housing Program	1997	1,901	\$45,729	1,889	\$45,264	2,202	\$51,396
6. Virginia Family and Children's Trust Fund	1998	1,434	\$36,251	1,299	\$36,034	1,383	\$33,787
7. Virginia Elderly and Disabled Transportation Fund	1997	3,067	\$71,018	3,107	\$74,548	3,508	\$80,536
8. Community Policing Fund	1994	820	\$16,270	810	\$14,872	1,028	\$19,718
9. Virginia Arts Foundation	1997	1,176	\$20,578	1,190	\$24,258	1,687	\$32,372
10. Chesapeake Bay Restoration	1997	6,034	\$150,589	6,255	\$164,221	4,800	\$123,169
11. Historic Resources Fund	1998	933	\$16,302	945	\$16,447	1,212	\$22,485
12. State Forests Systems Fund	1999	2,036	\$37,533	2,100	\$40,959	1,902	\$37,315
13. Uninsured Medical Catastrophe Fund	1999	1,108	\$26,618	1,138	\$30,456	1,141	\$23,818
14. Children of America Finding Hope	2001	964	\$23,804	974	\$23,456	1,052	\$24,334
15. Public School Foundations	2002	1,443	\$41,736	1,451	\$45,310	1,232	\$40,538
16. Home Energy Assistance	2003	1,297	\$30,108	1,303	\$30,477	1,677	\$35,885
17. War Memorial & National D-Day Memorial	2003	759	\$14,828	715	\$14,930	802	\$15,080
18. Virginia Federation of Humane Societies	2004	1,077	\$23,720	1,199	\$26,647	1,537	\$36,752
19. Tuition Assistance Grant Fund	2004	685	\$13,090	715	\$18,936	902	\$16,328
20. Spay and Neuter Fund	2004	1,752	\$37,191	1,736	\$38,329	2,283	\$46,532
21. Cancer Centers	2006			1,101	\$29,671	1,682	\$38,718
22. Brown v. Board of Education Scholarship Program Fund	2006			274	\$6,914	364	\$6,115
23. Martin Luther King, Jr. Living History and Public Policy Center Fund	2007					632	\$11,738
24. Virginia Caregivers Grant Fund	Was added to the 2008 income tax return						
25. Virginia Military Family Relief Fund	Was added to the 2008 income tax return						
Total		38,907	\$891,457	40,311	\$965,102	44,318	\$999,415

Contributions Awaiting Action

Under current law, the voluntary contributions for the following programs or funds are waiting for space to open up on the return:

<u>Program/Fund</u>	<u>Enacted</u>	<u>Estimated Year Added To Return</u>
Celebrating Special Children, Inc. Fund	2007	Unknown
Medicare Part D Counseling Fund	2007	Unknown
Community foundations	2008	Unknown
Virginia Foundation for Community College Education	2008	Unknown

Changes to the 2009 Income Tax Return

If the General Assembly takes no action, the voluntary contribution for the Brown v. Board of Education Scholarship Fund will be removed from the list on the 2009 individual income tax return. The Brown v. Board of Education Scholarship Fund failed to receive \$10,000 in its first two years on the return, which were 2006 and 2007. Under the requirements of Va. Code § 58.1-344.3 A.1, an entity must receive at least \$10,000 in each of the three preceding years. In 2008, the Brown v. Board of Education Scholarship Fund will have appeared on the return for three taxable years, as required by Va. Code § 58.1-344.3 A.3.b. Therefore, the Brown v. Board of Education Scholarship Fund will be removed from the list on the 2009 return.

The removal of the voluntary contribution for the Brown v. Board of Education Scholarship Program Fund from the 2009 return will allow the voluntary contribution for public library foundations to be added. If this voluntary contribution is added, the voluntary contributions for the Celebrating Special Children, Inc. Fund, the Medicare Part D Counseling Fund, community foundations, and the Virginia Foundation for Community College Education will remain on the waiting list.

Proposal

This bill would establish the Every Woman's Life Breast and Cervical Cancer Fund which would be used to help prevent and treat breast and cervical cancer for underserved and uninsured women in Virginia. The Director of the Department of Medical Assistance Services would administer the Fund. In addition, this bill would establish an individual income tax voluntary contribution to support this Fund.

The voluntary contributions listed under Va. Code § 58.1-344.3 are divided between subsection B, which only allows taxpayers to make donations from their income tax refunds, and subsection C, which allows taxpayers to contribute their income tax refund or to make an additional payment. Because the Every Woman's Life Breast and Cervical Cancer Fund would be added to subsection B, it would be restricted to receiving voluntary contributions only from income tax refunds.

The effective date of this bill is not specified.

Other Legislation

Senate Bill 1144 is identical to this bill.

House Bill 1594 would add the Middle Peninsula Chesapeake Bay Public Access Authority to the list of voluntary contributions.

cc : Secretary of Finance

Date: 1/19/2009 TLG
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