

# DEPARTMENT OF TAXATION

## 2009 Fiscal Impact Statement

1. **Patron** Mary Margaret Whipple

2. **Bill Number** SB 1144

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

3. **Committee** Passed House and Senate

4. **Title** Income Tax: Voluntary Contribution for the  
Breast and Cervical Cancer Prevention and  
Treatment Fund

**Second House:**

           **In Committee**

           **Substitute**

  X   **Enrolled**

### 5. **Summary/Purpose:**

This bill would establish the Breast and Cervical Cancer Prevention and Treatment Fund, which would be used to support treatment of breast and cervical cancer for women under Medicaid pursuant to the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. 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) Breast and Cervical Cancer Prevention and Treatment 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. TAX considers implementation of this bill as "routine," and does not require additional funding.

## 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  
Breast and Cervical Cancer Prevention and Treatment 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<br/>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 for voluntary contributions, 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 law. 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 Breast and Cervical Cancer Prevention and Treatment Fund which would be used to support treatment of breast and cervical cancer for women under Medicaid pursuant to the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. Up to ten percent of the Fund could be used annually to conduct screening activities for breast and cervical cancer under the Every Woman's Life Program administered by the Virginia Department of Health.

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 Breast and Cervical Cancer Prevention and Treatment 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

**House Bill 2200** is similar to this bill, but it does not contain language regarding the authority of the General Assembly to increase access to services.

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

**House Bill 2545** would add the Virginia Aquarium and Marine Science Center to the list of voluntary contributions.

cc : Secretary of Finance

Date: 2/20/2009 TLG  
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