

DEPARTMENT OF TAXATION

2015 Fiscal Impact Statement

1. **Patron** Eileen Filler-Corn

3. **Committee** Senate Finance

4. **Title** Voluntary Contributions of Income Tax
Refunds; Hunger Relief Fund.

2. **Bill Number** HB 2047

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would add the Federation of Virginia Food Banks to the list of voluntary contributions that may be added to the individual income tax return. The Federation would then make an equitable distribution of all such moneys to Blue Ridge Area Food Bank, Capital Area Food Bank, Feeding America Southwest Virginia, FeedMore, Inc., Foodbank of Southeastern Virginia and the Eastern Shore, Fredericksburg Area Food Bank, or Virginia Peninsula Foodbank.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

7. **No Fiscal Impact** (See Line 8).

8. **Fiscal implications:**

Administrative Costs

The Department considers implementation of this bill as routine, and is not requesting additional funding.

Revenue Impact

This bill would have no General Fund 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

10. **Technical amendment necessary:** No.

11. Other comments:

Voluntary Contributions of Income Tax Refunds

Virginia allows individuals to contribute their Virginia income tax refunds as donations to one or more qualifying organizations that are listed on the Virginia individual income tax return. For six of these organizations, taxpayers may contribute amounts in excess of the tax refund by making payments on the individual income tax return. 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 three consecutive years in order to continue to be included on the individual income tax return. The Department 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 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. Currently, there are eight voluntary contributions on the waiting list. None of these organizations can be added until an existing contribution is removed from the return. No voluntary contributions have been removed since 2009. This bill would not result in any changes to the list of organizations entitled to receive voluntary contributions on the income tax return and would be ninth on the waiting list.

Proposed Legislation

This bill would add the Federation of Virginia Food Banks to the list of voluntary contributions that may be added to the individual income tax return. The Federation would then make an equitable distribution of all such moneys to Blue Ridge Area Food Bank, Capital Area Food Bank, Feeding America Southwest Virginia, FeedMore, Inc., Foodbank of Southeastern Virginia and the Eastern Shore, Fredericksburg Area Food Bank, or Virginia Peninsula Foodbank.

This bill would also allow the Secretary of Finance to request records or receipts of all distributions by the Federation of Virginia Food Banks to ensure the compliance with the requirements of this bill.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 2/9/2015 CWM
HB2047FH1161