

DEPARTMENT OF TAXATION

2007 Fiscal Impact Statement

1. **Patron** Sal R. Iaquinto

3. **Committee** House Finance

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

2. **Bill Number** HB 2525

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

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:

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.

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. 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: 1/16/2007 AMS
HB2525F161