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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/25/12

SPONSOR Herrell LAST UPDATED \_\_\_\_\_ HB 131

SHORT TITLE Income Tax Contribution to Veterans' Fund SB \_\_\_\_\_

ANALYST Smith

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY12	FY13	FY14		
\$0.0	\$0.0	See "FISCAL IMPLICATIONS"	Recurring	Veterans' Enterprise Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

House Bill 131 amends the Income Tax Act to provide for a new optional designation of tax refund. This proposal would allow an individual taxpayer who is due a personal income tax refund to voluntarily contribute all or a part of the taxpayer's refund to the Veterans' Enterprise Fund.

**Effective Date:** Applicable to taxable years beginning on or after January 1, 2013.

### FISCAL IMPLICATIONS

The Taxation and Revenue Department (TRD) does not have the data necessary to estimate the amount of voluntary contributions that would be made to the Veterans' Enterprise Fund. However, historically voluntary donations have been minimal with only approximately \$134,000 being contributed towards all existing voluntary contribution funds according to the 2008 personal income tax data. This bill does not affect any other state revenues since the amount contributed to the Veterans' Enterprise Fund comes from refunds that would otherwise go back to taxpayers.

**SIGNIFICANT ISSUES**

One of the oldest voluntary check-offs is for the Veteran's National Cemetery in Santa Fe, enacted in 1987. This contribution has a delayed repeal when cumulative contributions have exceeded \$1,070,000. Apparently, this limit has not been reached and contributions have never exceeded \$15,000 per year.

SS/svb