

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0579-01  
Bill No.: HB 151  
Subject: Taxation and Revenue - Income; Revenue Dept.; Health Care  
Type: Original  
Date: January 26, 2011

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Bill Summary: Would authorize a check-off box for the Organ Donor Program Fund on income tax forms, and would allow for check donation to the fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Organ Donor	More than \$100,000	More than \$100,000	More than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>More than \$100,000</b>	<b>More than \$100,000</b>	<b>More than \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of the Secretary of State** and the **Office of the State Treasurer** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume this proposal would not result in additional costs or savings for their organization.

BAP officials stated that this proposal would create an income tax check-off which taxpayers may use to designate a portion of their refund to the Organ Donor Program Fund, an existing state fund. Taxpayers could also write a check for donations to the fund. In addition, BAP officials assume that to the extent the check-off is used, this proposal would increase total state revenues. BAP officials noted that \$324,327 in designations were made via income tax check-offs in FY 2010.

Officials from the **Department of Revenue** (DOR) assume this proposal would create a trust fund designation effective for tax years beginning January 1, 2011, for the donation of income tax overpayments to the Organ Donor Program. DOR officials stated that the Department would need to make form changes, and the Department and ITSD-DOR would need to make programming changes to various tax processing systems. DOR officials did not provide an estimate of the DOR cost to make these changes.

**Oversight** assumes that DOR could implement this proposal with existing resources.

DOR officials also provided an estimate of the IT cost to implement this proposal of \$26,712 based on 1,008 hours to make programming changes to the individual income tax processing system and the corporate income tax processing system.

**Oversight** assumes ITSD-DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes ITSD-DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, ITSD-DOR could request funding through the budget process.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services** (DOHSS) assume this proposal would allow taxpayers to designate a portion of their state tax refund to be credited to the Organ Donor Program fund.

DOHSS officials assume an unknown amount of revenue from the donations made by taxpayers would be deposited in the Organ Donor Program fund to be used to help administer the Organ Donor Fund. In addition, DOHSS officials assumed that up to five percent of the donations would be used by the Department of Revenue to implement the bill.

**Oversight** assumes that the participation rate and the amount of revenue which could be provided for the Organ Donor Fund in this proposed check-off program are unknown.

According to the Department of Revenue annual report for the year ended June 30, 2009, a total of \$147,719 was collected for the Organ Donor Program Fund from a voluntary \$1 donation made at the time of issuance or renewal of a driver license. That amount would represent 147,719 donations from a total of 1,245,392 licenses issued during FY 2009. If the same percentage  $(147,719/1,245,392) = 11.9\%$  was applied to the 1.9 million personal income tax refunds made in FY 2009, a total in excess of  $(11.9\% \times 1,900,000 \times \$2) = \$452,200$  would be donated.

**Oversight** notes that the Office of Administration, Division of Budget and Planning response indicated a total of \$324,327 in donations were made for all income tax check-off programs during FY 2010. For fiscal note purposes, Oversight will indicate annual revenue in excess of \$100,000 for the Organ Donor Program Fund. The program would be effective for tax years beginning January 1, 2011, and Oversight assumes the donations would be made from refunds beginning in January, 2012 (FY 2012). Since the Department of Revenue did not indicate any fiscal impact from this proposal, Oversight will not indicate a fiscal impact to the General Revenue Fund for revenue or expenses related to this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>ORGAN DONOR PROGRAM FUND</b>			
<u>Revenue - donations</u>	<u>More than</u> <u>\$100,000</u>	<u>More than</u> <u>\$100,000</u>	<u>More than</u> <u>\$100,000</u>
<b>ESTIMATED NET EFFECT ON ORGAN DONOR PROGRAM FUND</b>	<b><u>More than</u> <u>\$100,000</u></b>	<b><u>More than</u> <u>\$100,000</u></b>	<b><u>More than</u> <u>\$100,000</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation would allow taxpayers to donate part of their income tax refund to the organ donor program fund, and would allow taxpayers to make separate donations to the fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State  
Office of the State Treasurer  
Office of Administration  
    Division of Budget and Planning  
Department of Revenue  
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 26, 2011