



Senate Fiscal Agency
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Senate Bills 324 and 325 (as introduced 4-13-11)
Sponsor: Senator John Pappageorge (S.B. 324)
Senator Rebekah Warren (S.B. 325)
Committee: Finance

Date Completed: 5-27-11

CONTENT

Senate Bill 324 would amend the Income Tax Act to create a tax check-off for the Michigan Alzheimer's Association Fund, beginning with the 2011 tax year. Senate Bill 325 would create the "Michigan Alzheimer's Association Fund Act" to create the Fund, require amounts from the proposed income tax check-off to be credited to it, and provide for distribution of money in the Fund to the Greater Michigan Chapter and the Michigan Great Lakes Chapter of the Alzheimer's Association.

The bills are tie-barred.

Senate Bill 324

Section 435 of the Income Tax Act allows an individual to designate on his or her annual tax return that contributions of \$5, \$10, or more of his or her State income tax refund (or additional tax liability) be credited to any of the funds specified in the Act. The Department of Treasury must create a schedule of the specified check-offs to be included with an annual income tax return. New check-offs must be incorporated as soon as practical on the schedule, and the Department may discontinue a check-off that fails to raise \$100,000 in a tax year for two consecutive years.

Under the bill, the schedule would include the Michigan Alzheimer's Association Fund, for the 2011 tax year and each subsequent tax year.

Senate Bill 325

The bill would create the Michigan Alzheimer's Association Fund in the Department of Treasury to provide funds to benefit the programs and services for unpaid caregivers of individuals with Alzheimer's disease provided by the Greater Michigan Chapter and the Michigan Great Lakes Chapter of the Alzheimer's Association.

The State Treasurer would have to credit to the Fund all amounts appropriated for this purpose under Section 435 of the Income Tax Act, and money from any other source for deposit into the Fund. The Fund would consist of these amounts and any interest and earnings from the saving and investment of the tax check-off proceeds.

The money, interest, and earnings of the Fund could be spent solely for donation to the Greater Michigan Chapter of the Alzheimer's Association for distribution to the Greater Michigan and Michigan Great Lakes Chapters of the Alzheimer's Association.

The money in the Fund that was available for distribution would have to be appropriated each year. Money granted or received as a gift to the Fund would be available for distribution upon appropriation. Money in the Fund at the close of the fiscal year would remain in the Fund.

The State Treasurer would have to direct the investment of the Fund, and the Department would be the administrator of the Fund for auditing purposes.

MCL 206.435 (S.B. 324)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have a minimal impact on the administrative costs of the Department of Treasury, with some minor additional costs to adjust forms and account for revenue from the proposed income tax check-off.

Fiscal Analyst: Elizabeth Pratt