



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bills 5323 and 5324 (as passed by the House)
Sponsor: Representative Jeff Farrington (H.B. 5323)
Representative Mike Callton, D.C. (H.B. 5324)
House Committee: Tax Policy

CONTENT

House Bill 5323 would enact the "ALS of Michigan ('Lou Gehrig's disease') Fund Act" to do the following:

- Create the "ALS of Michigan ('Lou Gehrig's disease') Fund" in the Department of Treasury to provide funds for donation to ALS of Michigan to support research to find a cure for ALS (amyotrophic lateral sclerosis), to provide services to patients and their families through a variety of programs, and to support clinics in Michigan that provide a multidisciplinary approach to caring for people with ALS.
- Require the State Treasurer to credit to the Fund all amounts appropriated for this purpose under Section 435 of the Income Tax Act.
- Provide that money granted or received as a gift or donation to the Fund would be available for distribution upon appropriation to each county from which a contribution, gift, or donation was received.
- Require money in the Fund that was available for distribution to be appropriated each year.
- Provide that money granted or received as a gift or donation to the Fund would be available for distribution upon appropriation.

House Bill 5324 would amend Section 435 of the Income Tax Act to add a tax check-off for the ALS of Michigan ("Lou Gehrig's disease") Fund, beginning with the 2012 tax year.

The bill also would reflect amendments contained in Enrolled House Bill 5232 that would limit the number of separate income tax check-offs to 10 in a single year; require the Department of Treasury to discontinue a check-off that failed to raise \$50,000 in a tax year; require money appropriated to a fund from a check-off to be distributed within one year, and prohibit the money from being used to administer the fund; and identify factors the Legislature would have to consider in determining whether to add new check-offs.

House Bills 5323 and 5324 are tie-barred.

MCL 206.435 (H.B. 5324)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The revenue from the proposed income tax check-off for the ALS of Michigan ("Lou Gehrig's disease") Fund would depend on the size and number of taxpayer donations. The income tax check-off revenue history in recent years is summarized in the Table 1 below. The

Department of Treasury would incur additional costs to administer and track the proposed Fund which would carry forward and be subject to appropriation.

As provided in Enrolled House Bill 5232, House Bill 5324 would reduce the threshold for deletion of a fund from the income tax check-off schedule from \$100,000 to \$50,000 and limit the number of contribution designations on the individual income tax form to 10.

Table 1
Estimated Income Tax Check-Off Donations by Fund

	Tax Year 2009		Tax Year 2010		Tax Year 2011 ^{a)}	
	Number of Donations	Total Donated	Number of Donations	Total Donated	Number of Donations	Total Donated
Amanda's Fund for Breast Cancer	3,754	\$37,818				
Animal Welfare Fund ¹⁾	7,854	100,862	10,852	\$148,164	10,800	125,636
Children's Hospital of MI Fund	5,661	61,186	7,418	90,853		
Children's Miracle Network Fund	3,432	35,357	4,707	56,901		
Children's Trust Fund ¹⁾	17,244	185,407	7,387	92,631	8,499	88,839
Children of Veterans Tuition Grant Program ¹⁾	15,225	126,531	5,928	76,417	5,878	70,374
Foster Care Trust Fund	2,407	24,123	3,467	40,057		
Girl Scouts of Michigan Fund ¹⁾					3,500	44,163
Michigan Military Relief Fund ¹⁾	22,432	273,428	7,443	128,603	9,463	134,757
Michigan Council for the Arts Fund	2,598	27,978	3,356	34,677		
Michigan Housing and Community Development Fund	1,618	17,415				
Michigan Law Enforcement Memorial Fund	2,492	27,457				
Prostate Cancer Research	2,920	29,319				
Renewable Fuels Fund	2,157	18,247	2,589	23,648		
United Way Fund ¹⁾	5,736	241,797	7,747	389,080	5,574	163,937
Total		\$1,206,925		\$1,081,031		\$627,706

^{a)} Collections through April 22, 2012.

¹⁾ Check-offs on the 2011 contribution schedule.

Source: Department of Treasury

Date Completed: 5-30-12

Fiscal Analyst: Elizabeth Pratt

Floor\hb5323.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.