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**BILL ANALYSIS**

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Senate Bills 543 and 544 (as introduced 10-6-15)  
Sponsor: Senator Peter MacGregor (S.B. 543)  
Senator Marty Knollenberg (S.B. 544)  
Committee: Finance

Date Completed: 10-12-15

**CONTENT**

**Senate Bill 543 would amend the Income Tax Act to include the "Fostering Futures Scholarship Trust Fund" among the funds eligible for voluntary contributions on the State income tax return, starting in 2016.**

**Senate Bill 544 would amend the Fostering Futures Scholarship Trust Fund Act to require the Department of Treasury to credit to the Trust Fund all amounts appropriated for the Trust Fund under the Section 435 of the Income Tax Act.**

The bills are tie-barred.

**Senate Bill 543**

Section 435 of the Income Tax Act allows an individual to designate on his or her annual State income tax return that contributions of \$5, \$10, or more of his or her refund be credited to any of the funds listed in that section (check-offs). If an individual's refund is not sufficient to make a contribution, he or she may designate a contribution amount to be added to his or her tax liability for the tax year.

The Department of Treasury is required to prepare a contributions schedule that includes the authorized funds. The schedule may not include more than 10 separate check-offs in a single year, and the Department must discontinue a check-off that fails to raise \$50,000 in a tax year for two consecutive years.

Check-offs for the following are currently authorized: the ALS of Michigan ("Lou Gehrig's Disease") Fund; Alzheimer's Association of Michigan; Children of Veterans Tuition Grant Program; the Children's Trust Fund; the Military Family Relief Fund; the Animal Welfare Fund; the United Way Fund; Special Olympics Michigan; and the Michigan Alzheimer's Association Fund.

The bill would add the Fostering Futures Scholarship Trust Fund, beginning in the 2016 tax year.

**Senate Bill 544**

The Fostering Futures Scholarship Trust Fund is established under the Fostering Futures Scholarship Trust Fund Act. Fostering Futures Scholarships provide eligible foster care students with funds for tuition, fees, room and board, books, and supplies or equipment required for enrollment at an institution of higher education.

The Department of Treasury is the administrator of the Trust Fund for auditing purposes and all powers, purposes, and duties of the Trust Fund must be exercised by the Department. The bill would require the Department to credit to the Trust Fund all amounts appropriated for the Trust Fund under Section 435 of the Income Tax Act. All money received under Section 435 would have to be transmitted to the State Treasurer for deposit in the Trust Fund.

MCL 206.435 (S.B. 543)  
722.1029 (S.B. 544)

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bills would result in minimal costs to the State with no impact on local units. The Department of Treasury would experience an initial implementation cost to add the Fund to the schedule of tax check-offs; however, the costs would be minimal and the Department would not require additional appropriations. Once established, the ongoing costs would be minimal and also within current appropriations.

Fiscal Analyst: Cory Savino

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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.