



**House
Legislative
Analysis
Section**

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WILDLIFE FUND TAX CHECKOFF

**House Bill 4760 as enrolled
Second Analysis (4-15-94)**

**Sponsor: Rep. Bill Bobier
House Committee: Conservation,
Environment & Great Lakes Affairs
Senate Committee: Natural Resources &
Environmental Affairs**

THE APPARENT PROBLEM:

Public Act 189 of 1983 amended the Income Tax Act to allow taxpayers to direct refunds to the Michigan Nongame Wildlife Fund during the 1983 and 1984 tax years. The checkoff was extended in 1985 to run through the 1994 tax year or until the fund's assets exceed \$6 million. The state income tax form now contains a line that allows a contribution to the fund, which either increases the tax due or reduces the refund. (There is one other checkoff on the form, for the Children's Trust Fund, which supports child abuse prevention programs.) The Nongame Fish and Wildlife Trust Fund Act, which took effect in 1987, requires that at least 20 percent of the money annually credited to the fund be retained on a permanent basis (and reportedly about one-half of the donations are being retained currently). The fund is administered by the Department of Natural Resources and its stated purpose is to support research and management of nongame fish and wildlife, designated endangered species, and designated plant species in the state. (The term "nongame fish and wildlife" refers to fish or wild animals that are unconfined and not ordinarily taken for sport, fur, or food.) Supporters of the fund point to the many accomplishments of the nongame wildlife program, note that the endowment is far short of the cap, and recommend that the checkoff be extended further.

THE CONTENT OF THE BILL:

The bill would amend the Income Tax Act to allow taxpayers to designate refunds to the nongame fish and wildlife trust fund until the fund's assets exceed \$6 million. (There would be no alternative sunset based on tax year.)

MCL 206.439

FISCAL IMPLICATIONS:

The bill would not appear to have any fiscal implications since it deals with contributions made by taxpayers filling out their state income tax forms and since the treasury department's implementation costs are covered out of the taxpayer donations. DNR officials say they anticipate about \$600,000 in contributions for the 1992 tax year. For 1991, donations totalled \$598,454. Contributions for 1990 were \$668,379. Reportedly, about half of the contributions are retained in the fund annually at present. The fund's current assets stand at \$2.594 million. (6-8-93)

ARGUMENTS:

For:

The income tax refund checkoff for the Nongame Fish and Wildlife Trust Fund is authorized through the 1994 tax year or until the fund assets exceed \$6 million, whichever comes first. The fund currently contains slightly over \$2.5 million, and supporters argue the checkoff should be extended indefinitely in order to make the fund into a secure permanent endowment for the protection of nongame species. Programs funded by the checkoff, say advocates, have helped to: bring back over 12,000 bluebirds through the nestbox network; increase the protection for nesting loons on over 250 lakes through the volunteer loonwatch program; return 90 endangered native trumpeter swans to wetlands; restore the endangered peregrine falcon to the state; locate 214 occupied bald eagle territories in both peninsulas where 218 eaglets have been produced; protect gray wolves, spotted turtles, bald eagles, dwarf lake iris, and other rare species and their habitats; and provide posters, displays, and other teaching materials to schools.

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Against:

While the purposes served by the two income tax refund checkoffs, one for nongame wildlife and one for the prevention of child abuse and neglect, are commendable and nearly impossible to oppose, some people oppose on philosophical grounds the use of the state income tax form to raise what are essentially charitable donations. While use of the checkoff has been restricted to these two causes, there are many worthwhile activities that could lay claim to equal treatment on state tax forms.