

## MILITARY FAMILY RELIEF FUND

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### House Bills 5953 and 5954

**Sponsor: Rep. Fulton Sheen**

**Committee: Veterans Affairs and Homeland Security**

**Complete to 5-28-04**

## A SUMMARY OF HOUSE BILLS 5953 AND 5954 AS INTRODUCED 5-27-04

House Bill 5954 would create a new act to establish the Military Family Relief Fund, which would provide assistance to the needy families of members of the Michigan National Guard reserves or members of the U.S. armed forces reserves called into active duty in response to the September 11<sup>th</sup> attacks or a national emergency declared by the President of the United States. House Bill 5953 would create an income tax check-off program to provide money to the fund.

### House Bill 5954

*Military Family Relief Fund* - The bill would create the Michigan Family Relief Fund as a separate fund in the Department of Military and Veterans Affairs. The state treasurer would credit to the fund the amount designated to the fund under the income tax check-off program, would direct investment of the fund, and credit to the fund any interest and earnings. Each year, an amount equal to the cumulative designations under the check-off program (plus interest and earnings) would be appropriated from the general fund to the Military Family Relief Fund. Money in the fund could not be used for administrative costs.

*Assistance Grants* - Money in the fund would be used to provide assistance grants to the families of members of the Michigan National Guard serving in a U.S. Armed Forces reserve component or U.S. Armed Forces reserves that are called into active duty. The family would have to document a need for financial assistance for clothing, food, housing, utilities, medical services or prescriptions, insurance payments, vehicle payments, or other related necessities of daily living while the qualified individual is on active duty or has a service-related injury or illness. The grants would be capped at \$2,000 per calendar year, though the Department of Military and Veterans Affairs could provide more assistance in “extreme” cases. The department would begin disbursing money in the fund within the first 30 days of each calendar year.

*Applications for Assistance* - The Department of Military and Veterans Affairs would determine the specific eligibility criteria (level of need) to receive an assistance grant. Within 10 days of receiving an application, the department would have to notify

applicants of their eligibility, the amount of assistance provided (if any), the date by which the assistance should be received, or the reasons for denying an application.

### **House Bill 5953**

The bill would amend the Income Tax Act to create a tax check-off program for tax years between December 31, 2003 and January 1, 2008 to permit a taxpayer to designate a contribution of \$1 or more to the Military Family Relief Fund. The contribution would be subtracted from the taxpayer's refund or added to his or her tax liability. The check-off would have to be clearly and unambiguously printed on the first page of all income tax return forms, if practicable. Twenty percent of the donations would be provided to veterans' hospitals in the state, and 80 percent would be credited to the Military Family Relief Fund. The bill is tie-barred to HB 5954

### **FISCAL IMPACT:**

Because this is a voluntary contribution, there would be no impact on income tax revenues. However, there could be a small administrative cost.

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