



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



Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 581 (Substitute S-1 as passed by the Senate)  
Senate Bill 582 (Substitute S-1 as passed by the Senate)  
Sponsor: Senator Patricia L. Birkholz  
Committee: Finance

Date Completed: 2-20-04

## **RATIONALE**

According to the American Cancer Society (ACS), nearly 216,000 women in the United States will be diagnosed with breast cancer in 2004; and 40,110, including 1,350 in Michigan, will die from the disease. The ACS also has reported that slightly over 2 million women living in the U.S. have been treated for breast cancer, and breast cancer death rates are going down. According to the ACS, this decline is probably the result of earlier detection and improved treatment. In order to help support breast cancer research and enhance public awareness of the disease, it has been suggested that the State create a new fund and an income tax check-off that would allow taxpayers to contribute to the fund.

## **CONTENT**

**Senate Bill 581 (S-1) would amend the Income Tax Act to allow an individual to designate on his or her annual return that a contribution of \$2 or more of his or her refund be credited to "Amanda's Fund for Breast Cancer Research". Senate Bill 582 (S-1) would create the "Amanda's Fund for Breast Cancer Research Act" to establish the Fund in the Department of Community Health (DCH), in order to provide funds for the promotion of research and community education related to breast cancer.** The bills are tied to each other.

### **Senate Bill 581 (S-1)**

For the 2005 tax year and every subsequent tax year, an individual could designate on his or her annual return that a contribution of \$2 or more of his or her refund be credited to Amanda's Fund for Breast Cancer Research. If a taxpayer's refund were not sufficient to

make a contribution of \$2 or more to the proposed Fund, the person could designate a contribution amount that would be added to his or her tax liability.

Each year that the contribution designation was in effect, an amount equal to the cumulative designation, less the amount appropriated to the Department of Treasury to implement the bill, would have to be appropriated from the General Fund and deposited in the proposed Fund, to be used solely for the purposes of the Fund.

The tax designation would have to be printed clearly and unambiguously on the first page of the State individual income tax return forms as Amanda's Fund for Breast Cancer Research.

### **Senate Bill 582 (S-1)**

The State Treasurer would have to credit to Amanda's Fund for Breast Cancer Research all amounts appropriated for this purpose under the Income Tax Act (as provided in Senate Bill 581 (S-1)). The DCH would have to use the money in the Fund to do the following:

- Support the development of a Statewide breast cancer research plan.
- Provide information to the public about the value of breast cancer research and early detection.
- Develop and publicize criteria for proposals to be funded under the bill.
- Review and approve proposals for funding.

The DCH would have to solicit proposals and determine which to fund. Only individuals, groups, and institutions with an interest in breast cancer research activities could submit proposals. The DCH would have to give priority to proposals submitted by applicants

that were located in Michigan and conducted the research or other activity that was the basis for a proposal in this State.

The money in the Fund would have to be used to fund, but would not be limited to funding, proposals for applied breast cancer research, and community education programs to raise awareness through county, city, or township programs. Money from the Fund also could be used as matching funds for a Federal grant or a grant from the National Cancer Institute.

The State Treasurer would have to direct the investment of the Fund. In addition to money credited to it from income tax designations, the Fund would consist of any interest and earnings accrued from saving and investment of money in the Fund, and other appropriations, money, or other things of value received by the Fund. Money granted or received as a gift or donation to the Fund would be available for distribution upon appropriation. The money, interest, and earnings of the Fund would have to be spent solely for the purposes described in the bill.

The bill provides that money in the Fund that was available for distribution would have to be appropriated each year. Money in the Fund at the close of a year would remain in the Fund and not lapse to the General Fund.

Proposed MCL 206.438 (S.B. 581)

## **BACKGROUND**

In the 2001-2002 legislative session, House Bill 6120 and Senate Bill 1353 would have created the "Amanda's Fund for Breast Cancer Research Act" and an income-tax check-off allowing people to contribute \$2 or more to a proposed Amanda's Fund for Breast Cancer Research. The Senate and House of Representatives passed the legislation and sent it to former Governor Engler, who vetoed both bills. According to his veto message on House Bill 6120, the Governor objected to adding new burdens on the Department of Community Health, given current budget constraints. In his veto message on Senate Bill 1353, the Governor noted his efforts to make the tax filing process in Michigan easier. He also objected to "...targeting one specific area of research when the state and nation are facing numerous medical challenges and research needs."

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

According to the American Cancer Society, breast cancer is the most common cancer among women, other than skin cancer. Though not as common, breast cancer also strikes men; the ACS estimates that 470 men in the U.S. will die from the disease this year. Many people in the field of medicine believe that the best tool to fight this type of cancer is early detection. The bills would provide a permanent source of funding that would be used specifically to support breast cancer research and community education programs. A breast cancer check-off on the income tax return would remind taxpayers each year of the seriousness of this form of cancer, the value of early detection and treatment, and the need to dedicate funds to combat the disease.

**Response:** The ACS estimates that in 2004, 1,110 men in Michigan will die from prostate cancer--a disease that can be detected through a simple blood test and is highly curable. Legislation creating a funding source to fight prostate cancer and promote public awareness also be would beneficial.

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

### **Senate Bill 581 (S-1)**

Based on information from Illinois, New Jersey, and Pennsylvania, as well as Michigan's past experience with the Children's Trust Fund and Non-Game Wildlife Trust Fund check-offs, it is estimated that this bill would generate about \$1 million in contributions for breast cancer research each year, beginning in FY 2005-06. Given that any costs incurred to administer this check-off program would be financed using a portion of the contributions, this bill would not have any budgetary impact on State or local government.

### **Senate Bill 582 (S-1)**

This bill would have an indeterminate fiscal impact on the State depending on the level of Fund activity and the number of individuals,

groups, or institutions that might apply for a grant. There could be a fiscal impact on local units of government because county, city, or township programs would be eligible to receive grants from the Fund. Under the bill, money from the Fund could cover costs of the DCH to review and approve proposals to be funded under the proposed Act.

Fiscal Analyst: Dana Patterson  
Jay Wortley

A0304\581a

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.