



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 370 and 371 (as introduced 6-13-19)
Sponsor: Senator Curtis Hertel, Jr.
Committee: Finance

Date Completed: 6-19-19

CONTENT

Senate Bill 370 would enact the "Ruby Jane Act" to do the following:

- Create the "Pediatric Congenital Heart Association Fund" within the Department of Treasury for the purpose of providing funds for donation to the Michigan chapter of the Pediatric Congenital Heart Association.
- Require money raised from a proposed tax return check-off to be credited to the Fund.
- Require that the money, interest, and earnings of the Fund be spent solely for donation to the Michigan chapter of the Pediatric Congenital Heart Association.

Senate Bill 371 would amend Section 435 of the Income Tax Act to include the Pediatric Congenital Heart Association Fund among the funds eligible for voluntary contributions (check-offs) on the State income tax return, starting with the 2019 tax year.

The bills are tie-barred.

Senate Bill 370

The bill would create the Fund within the Department to provide funds for donation to the Michigan chapter of the Pediatric Congenital Heart Association. The Department would be the administrator of the Fund for auditing purposes. The State Treasurer would have to credit to the Fund all amounts appropriated for this purpose under Section 435 of the Income Tax Act (described below) and money from any other source for deposit into the Fund.

The State Treasurer would have to direct the investment of the Fund. The Fund would consist of the money credited to the Fund under Section 435 of the Income Tax Act, any interest and earnings accruing from the saving and investment of that money, and money from any other source. Money in the Fund at the close of the year would have to remain in the Fund and could not lapse to the General Fund.

The money, interest, and earnings of the Pediatric Congenital Heart Association Fund would have to be spent solely for donation to the Michigan chapter of the Pediatric Congenital Heart Association to support it in improving the lives of those with congenital heart disease and their families through direct support, education, research, and awareness.

The money in the Fund that was available for distribution would have to be appropriated each year. Money granted or received as a gift or donation to the Fund would be available for distribution upon appropriation.

Senate Bill 371

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 must 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 included on the 2018 Michigan Voluntary Contributions Schedule form: the American Red Cross Michigan Fund; the Animal Welfare Fund; the Children's Trust Fund; the Fostering Futures Scholarship Trust Fund; the Kiwanis Fund; the Lions of Michigan Foundation Fund; the Michigan World War II Legacy Memorial Fund; the Military Family Relief Fund; and the United Way Fund.

The bill would add the Pediatric Congenital Heart Association Fund to the list of check-offs, beginning in the 2019 tax year.

MCL 206.435 (S.B. 371)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

Senate Bill 370

The bill would have a minimal fiscal impact on the Department of Treasury that would be within current appropriations. Specifically, the one-time and ongoing costs associated with including an additional income tax check-off option and administering the Pediatric Congenital Heart Association Fund would be minimal and within current appropriations.

The bills would have no fiscal impact on local government.

Senate Bill 371

The bill would have a minimal fiscal impact on the administrative costs of the Department of Treasury, with some minor additional costs to adjust forms and account for revenue from the proposed income tax check-off.

The bill would have no impact on State or local revenue.

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.