


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 11-0591
Prime Sponsor(s): Rep. Hamner
 Sen. Bacon

Date: July 13, 2011
Bill Status: Signed into Law
Fiscal Analyst: Ron Kirk (303-866-4785)

TITLE: CONCERNING THE VOLUNTARY CONTRIBUTION DESIGNATION BENEFITING THE ROUNDUP RIVER RANCH FUND THAT APPEARS ON THE STATE INDIVIDUAL INCOME TAX RETURN FORMS, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Roundup River Ranch Fund	greater than \$5,000	greater than \$5,000
State Expenditures		
Cash Funds		
Roundup River Ranch Fund	\$29,600*	
Effective Date: The bill was signed into law by the Governor on June 6, 2011, and takes effect on August 10, 2011, assuming no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: See State Appropriation section.		
Local Government Impact: None.		

* *These costs may be initially paid from the General Fund, then reimbursed from contributions received.*

Summary of Legislation

This bill creates a new income tax return checkoff to collect donations for the Roundup River Ranch, a registered Colorado-based 501 (c) (3) nonprofit organization. The Roundup River Ranch would receive all donations in excess of the state's costs to administer the collection.

The bill also sets a priority order for newly-created tax checkoffs to appear on the income tax form. There are 15 checkoff programs on the 2010 state income tax form, the maximum allowed by law. To ensure that the 15-checkoff cap is not exceeded, this bill specifies that continued or renewed programs take precedence over newly-created programs. Thus, if a program that has appeared on the form is renewed or continued and has sufficient donations of at least \$75,000, the program remains on the form in the subsequent tax year. Newly-created programs can only appear on the tax form when an existing program is removed, either by failing to meet the required threshold on collections or by a legislative change. If more than one program is placed in a queue, the order of programs is determined by the **date and time** that the Governor signs the bill creating the new program.

The Roundup River Ranch checkoff program would be added to the Colorado individual income tax form as a voluntary contribution on the year following November 1 of the year in which the executive director of the Department of Revenue files a written certification with the revisor of statutes that there is a line available on the form. This bill places the program on the form for five consecutive years. After the second year, however, the program must receive donations of at least \$75,000 in the third and each subsequent year to remain on the form (see background section). The bill repeals the program on January 1 of the sixth income tax year following the year the checkoff program first appears on the state income tax form.

Checkoff program queue. The Roundup River Ranch checkoff is one of five newly-created programs that were signed into law during the 2011 legislative session. For purposes of the program queue, Table 1 shows the order of newly-created programs that may be added to the 2011 and subsequent tax year forms should programs on the 2010 form drop off due to low donation levels or legislative changes.

Table 1: Newly-Created Checkoff Programs

Order in Queue: Bill	Program	Signed into Law	
		Date	Time
(1) House Bill 11-1097	Goodwill Industries Fund	05/04/11	2:24 p.m.
(2) Senate Bill 11-102	Families in Action for Mental Health Fund	05/27/11	3:56 p.m.
(3) House Bill 11-1295	Multiple Sclerosis Fund	05/27/11	4:06 p.m.
(4) Senate Bill 11-109	Public Education Fund	06/02/11	5:17 p.m.
(5) House Bill 11-1071	Roundup River Ranch Fund	06/06/11	4:35 p.m.

Background

The 14 income tax checkoffs on the 2009 individual state income tax return received \$1.5 million in contributions from nearly 150,000 donations. According to state law, the total amount contributed to a checkoff must be greater than or equal to \$75,000 between January 1 and September 30 during the period for which moneys are collected for the third income tax year in which the contribution appears on the Colorado income tax form. Otherwise, the checkoff will not appear on the form in the following year. Table 2 provides summary information on current checkoff programs.

Table 2: Value of Individual Income Tax Checkoffs for FY 2009-10 (2009 tax year)

Tax Checkoffs	Number of Donations	Total Donations	Average Donations
Military Family Relief Fund	12,479	\$187,799	\$15.05
Colorado Nongame and Endangered Wildlife Fund	15,835	173,332	10.95
Pet Overpopulation Fund	14,330	153,853	10.74
Colorado Domestic Abuse Fund	13,887	141,468	10.19
Colorado Homeless Prevention Activities Fund	12,709	135,599	10.67
Special Olympics Colorado Fund	11,228	116,105	10.34
Make-A-Wish Foundation of Colorado Fund	10,297	95,768	9.30
Breast and Women's Reproductive Cancer Fund	10,570	95,021	8.99
Alzheimer's Association Fund	9,647	91,893	9.53
Colorado Healthy Rivers Fund	10,424	88,585	8.50
Multiple Sclerosis Fund***	7,661	70,544	9.21
Adult Stem Cells Cure Fund*	8,033	58,965	7.34
9Health Fair Fund*	6,756	50,283	7.44
Western Colorado State Veterans' Cemetery Fund	5,235	34,204	6.53
Totals**	149,470	\$1,494,679	\$10.00

* *These income tax checkoffs are new and reflect collections from January 2010 through June 2010.*

** *The category totals include the number and amount of checkoffs that no longer meet the criteria for inclusion on the state income tax form. These checkoffs are not listed in this table.*

*** *This income tax checkoff dropped off the 2010 form because donations were \$69,820.85 between January 1 and September 30, 2010. It has since been replaced by the Unwanted Horse Fund Program.*

State Revenue

The number and value of contributions to an income tax checkoff that would benefit the Roundup River Ranch is unknown but is expected to be more than \$5,000 per year.

State Expenditures

Expenditures for the Department of Revenue are expected to increase \$29,600 in FY 2011-12 to add a new checkoff to the income tax form, assuming this checkoff is one of the 15 allowable programs on the 2011 form. The bill specifies that these costs are to be paid by an annual appropriation from the Roundup River Ranch Fund. In the event that moneys in the fund are insufficient to cover these costs, this fiscal note assumes that the General Fund will offset the amount of any deficiency. Any amounts "loaned" to the fund will be reimbursed to the General Fund when available.

State Appropriation

The Department of Revenue will require an appropriation of \$29,600 from the Roundup River Ranch Fund in FY 2011-12.

Departments Contacted

Revenue