

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING VOLUNTARY CONTRIBUTIONS ON THE STATE INDIVIDUAL INCOME TAX RETURN FORM, AND, IN CONNECTION THEREWITH, REQUIRING THE DEPARTMENT OF REVENUE TO PERIODICALLY POST THE AMOUNT OF DONATIONS RECEIVED AND REQUIRING THAT A VOLUNTARY CONTRIBUTION DESIGNATION LINE FOR THE COLORADO MULTIPLE SCLEROSIS FUND APPEAR ON THE STATE INDIVIDUAL INCOME TAX RETURN FORM.

Prime Sponsors: Representative Acree
Senator Newell

JBC Analyst: David Meng
Phone: 303-866-2061
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Summary of Amendments Made to the Bill After the 04/18/11 Legislative Council Staff Fiscal Note Was Prepared (Amended by the House Finance Committee 04/20/11)

The House Finance Committee Report dated April 20, 2011 added provisions that create a queue for income tax checkoffs when there are more than 15 income tax checkoff authorized by the General Assembly, create a process for determining the order in which an income tax checkoff is established on the income tax form, and direct the Executive Director of the Department of Revenue to certify to the Revisor of Statutes when a line on the income tax form is available for a new checkoff.

JBC Staff and Legislative Council Staff agree that these provision do not affect the fiscal impact of the bill, except that if this bill does not become effective for income tax year beginning January 1, 2012, the appropriation for FY 2011-12 will not be effective and the Department will have to address the required appropriation through the budgeting process for the income tax year in which a checkoff line becomes available.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$29,600 cash funds from the Colorado Multiple Sclerosis Fund in FY 2011-12 to the Department of Revenue, Information Technology Division. These funds are reappropriated to the Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology for programming services provided to the Department of Revenue for the implementation of this bill.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

1. The language in the House Finance Committee Report dated April 20, 2011, is included in two other bills (H.B. 11-1071 and H.B. 11-1097) that have been enrolled into an act. If those bills, or this bill as amended, are signed into law, a queue will be established where income tax checkoffs will await a income tax checkoff line on the income tax form. If this bill becomes law without the provisions of the House Finance Committee Report, and both of the other bills do not become law, the number of income tax checkoff will exceed the statutory limit of 15 income tax checkoffs at any one time. In this event, the Department of Revenue and the Office of Information Technology in the Governor's Office will incur additional one-time costs of \$27,400 in FY 2011-12 to create an additional schedule to handle the entire group of income tax checkoffs.
2. The appropriation for this bill is effective only for FY 2011-12. If this bill does not become effective for the income tax year that starts on January 1, 2012, the Department of Revenue and the Office of Information Technology will have to initiate a budget action in order to fund this bill in the year in which it will first appear on the income tax form.
3. If sufficient moneys are not received from voluntary donations to the Colorado Multiple Sclerosis Fund to fund the implementation costs of establishing the checkoff, the shortfall will have to be made up from the General Fund. However, it has never occurred that a voluntary checkoff has failed to collect sufficient moneys to at least repay the costs to the Department of establishing the checkoff.