Colorado Legislative Council Staff Fiscal Note

STATE FISCAL IMPACT

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Newell

BILL TOPIC: EXTEND MULTIPLE SCLEROSIS CHECK-OFF

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017		
State Revenue		See State Revenue		
Cash Funds		section		
State Expenditures				
FTE Position Change				
Appropriation Required: None				

^{*} This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The bill extends the voluntary contribution designation (or income tax checkoff) benefitting the Colorado Multiple Sclerosis (MS) Fund from tax year 2017 through tax year 2021. Money from the fund is transferred to the Colorado Chapter of the National Multiple Sclerosis Society.

Background

The income tax checkoff for the Colorado MS fund first appeared on the 2006 state income tax form. Senate Bill 09-126 extended the program from tax year 2009 through tax year 2011. However, in tax year 2009, the program did not meet the minimum donation requirement (\$75,000) and was removed from the 2010 income tax form. House Bill 11-1295 reestablished the MS checkoff and placed it on the income tax form checkoff queue. The checkoff was placed back on the 2012 income tax form.

Table 1 shows the history of donations to the fund.

Table 1. Colorado Multiple Sclerosis Fund Tax Check-off Revenue				
Tax Years	Number of Donations	Total Donations	Average Donation	
2006	10,794	\$105,092	\$9.74	
2007	11,404	\$116,656	\$10.23	
2008	9,331	\$86,978	\$9.32	
2009	7,661	\$70,544	\$9.21	
2010	Checkoff was not available			
2011	Check off was not available			
2012	5,632	\$62,656	\$11.13	
2013	4,855	\$53,073	\$10.93	
2014*	1,631	\$20,811	\$12.76	

^{*} Reflects collections as of April 17,2015

To remain eligible for the checkoff program, organizations must receive \$75,000 in the third year from when the checkoff first appeared on the income tax form and each year thereafter. Since being put back on the form in 2012, this program has not received reached the \$75,000 threshold. The MS checkoff will be removed from the 2015 income tax form if donations do not reach the \$75,000 threshold by September 30, 2015.

State Revenue

Assuming contributions reach the \$75,000 threshold in tax year 2014 and each thereafter, contributions as a result of the extension in this bill will begin in FY 2016-17.

Tabor Impact

These voluntary donations are exempt from TABOR revenue considerations. Revenues from gifts, grants, or endowment income are exempt form TABOR reporting.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Revenue