

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: House Bill 160 (First Edition)

SHORT TITLE: Check-Off Donation: Breast Cancer Screening.

SPONSOR(S): Representatives Howard, Justice, Dollar, and Stevens

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
REVENUES					
General Fund					
	* Unknown revenue increase – current Wildlife Fund check-off generates approximately \$400,000 annually.*				
EXPENDITURES					
Department of Revenue					
	See Assumptions & Methodology				
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Department of Revenue				
EFFECTIVE DATE:	Effective for taxable years beginning on or after January 1, 2011				

BILL SUMMARY:

SOURCE: BILL DIGEST H.B. 160 (02/22/0201)

Section 1: Enacts new GS 105-269.7 to allow an individual entitled to an income tax refund to elect to contribute all or part of the refund to the Cancer Prevention and Control Branch of the Division of Public Health of the Department of Health and Human Services (Branch) to support early detection of breast and cervical cancer. Requires that an explanation stating that the contributions will be used for early detection of breast and cervical cancer only be included in the income tax instructions. Directs the Secretary of Revenue to transmit all contributions to the State Treasurer, who will then distribute the funds to the Branch.

Section 2: Clarifies that the funds generated by the income tax return election will supplement, and not replace, current appropriations for early detection of breast and cervical cancer.

Section 3: Effective for taxable years beginning on or after January 1, 2011.

ASSUMPTIONS AND METHODOLOGY:

Revenues

The bill would allow taxpayers the option to donate all or a portion of their income tax refund to the Division of Public Health to support the early detection of breast and cervical cancer. Because it is not known how many taxpayers would elect to donate, or what amounts would be donated, it is not possible to determine a reliable estimate of additional revenue. There is currently a check-off for the Nongame and Endangered Wildlife Fund. In 2008, 22,595 taxpayers contributed a total of \$485,117 to the Fund.

Expenditures

The Department of Revenue (the Department) estimates that any additional processing necessary to implement the draft bill can be absorbed into current operations. Additional processing would include revising the existing Individual Income Tax Return form (D-400) as follows:

- Business Systems Analyst - 20 hours for analysis
- Business and Technology Applications Analyst - 80 hours for design, development and testing
- Revenue Tax Auditor - 80 hours for acceptance testing (business)

Currently taxpayers can elect to apply all or part of their refund to the NC Nongame and Endangered Wildlife Fund on the form D-400. In addition, each taxpayer can elect to apply \$3 of their tax liability to the NC Public Campaign Fund and/or the NC Political Parties Financing Fund on the form D-400. According to the Department, there will be two lines available on the current form D-400 if the income tax surcharge expires for taxable years beginning on or after January 1, 2011 as currently set forth in G.S. 105-130.3B. There would be no additional cost to revise the form D-400.

This analysis only takes into consideration taxpayer designations as they are allowed by current State statute. If the income tax surcharge does not sunset or if additional taxpayer designations are authorized by the General Assembly, the D-400 may need to increase from two to three pages. If this occurs, based on the 265,000 Form D-400's printed for the tax year 2010, the Department will incur additional printing costs of \$4,526. This estimate does not assume that a new tax form for tax check-offs would be required. This analysis also does not include costs associated with a larger number of check-offs.

SOURCES OF DATA: Department of Revenue

TECHNICAL CONSIDERATIONS: None

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