

# Legislative Analysis

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## AMERICAN RED CROSS MICHIGAN FUND & INCOME TAX CHECKOFF

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### House Bill 6175

Sponsor: Rep. George Cushingberry Jr.

### Health Bill 6176

Sponsor: Rep. Chuck Moss

Committee: Health Policy

Complete to 6-21-10

## A SUMMARY OF HOUSE BILL 6175-6176 AS INTRODUCED 5-18-10

The bills, as a package, would create a fund to support the state chapter of the American Red Cross and place a checkoff box on the state income tax return for filers to donate to the American Red Cross Michigan Fund. The bills are tie-barred to each other.

House Bill 6176 would create the American Red Cross Michigan Fund. The fund would be created in the Department of Community Health and be administered by the department for auditing purposes. The fund would consist of the money credited by the state treasurer under the checkoff added to the state income tax form by House Bill 6175, any interest and earnings accruing from the saving and investment of that money, and money from any other source. The fund's purpose would be to provide funds for donation to the chapter of the American Red Cross that is responsible for state governmental relations in Michigan. The money, interest, and earnings of the fund could only be expended for donation to the American Red Cross in Michigan.

The state treasurer would direct the fund's investments. Money in the fund at the close of a fiscal year would remain in the fund and not lapse to the General Fund. Further, money in the fund available for distribution would have to be appropriated each year. Money granted or received as a gift or donation would be available for distribution upon appropriation.

House Bill 6175 would amend the Income Tax Act (MCL 206.435) to add the American Red Cross Michigan Fund to the list of funds for which an individual could designate a contribution of \$5, \$10, or more on an annual tax return.

### FISCAL IMPACT:

Based on data from Michigan and other states, between \$500,000 and \$1.5 million could be generated from a checkoff. However, the popularity of a particular checkoff and the addition of choices for checkoff contributions would also affect the revenue generated by each checkoff.

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