

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0915H.01I  
Bill No.: HB 298  
Subject: Taxation and Revenue - General; Taxation and Revenue - Income; Revenue,  
Department of; Military Affairs; National Guard  
Type: Original  
Date: January 6, 2021

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Bill Summary: This proposal extends the option to donate income tax refunds to the  
Missouri National Guard Foundation Fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Missouri National Guard Foundation Fund (0494)*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Taxpayer's donation of tax refunds to the Missouri National Guard Foundation Fund is transferred to the Missouri National Guard Foundation which nets the fund to \$0.

Numbers within parentheses: () indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration – Budget & Planning Division (B&P)** do not anticipate a fiscal impact as a result of this proposed legislation.

**Oversight** notes, in response to similar legislation (SB 784 – 2020), B&P stated the provisions of this proposed legislation would not have an impact on General Revenue (GR) and Total State Revenue (TSR) and will not impact the calculation pursuant to Article X, Section 18(e).

Officials from the **Missouri Department of Revenue (DOR)** do not anticipate a fiscal impact as a result of this proposed legislation. This is a checkoff program; taxpayers are allowed to donate a portion of their income tax refund to the Missouri National Guard Foundation Fund. This is considered taxpayer money and not state money.

Below is a fiscal year breakdown of the deposits into the Missouri National Guard Foundation Fund from checkoff contributions made on Missouri tax returns.

Fiscal Year	Donation Amount
2015	\$5,491
2016	\$920
2017	\$721
2018	\$565
2019	\$587
2020	\$208

This program originally started on January 1, 2014 and sunset on August 28, 2020. This proposed legislation would start the program again beginning January 1, 2022 and it could sunset on August 31, 2033, unless reauthorized by the General Assembly.

**Oversight** notes, under current law, the Missouri National Guard Foundation Fund checkoff program sunset on December 31<sup>st</sup> six years after August 28, 2014. Therefore, Oversight assumes the Missouri National Guard Foundation Fund checkoff program sunset December 31, 2020, not August 28, 2020.

Officials from the **Missouri National Guard (MNG)** do not anticipate a fiscal impact as a result of this proposed legislation. The Missouri National Guard Foundation Fund is not affiliated with MNG and MNG does not have access or authorization to the funds.

**Oversight** notes the Missouri National Guard Foundation Fund (the Fund) checkoff program allows taxpayers to designate a portion or all of their Missouri tax refund to the Fund. Per [DOR](#), the Fund assists Missouri National Guard members and all veterans and their families by providing services that enable them to improve their financial, physical, mental and social well-being.

Individuals filing a tax return as a single individual, and corporations alike, may designate any amount equal to or in excess of \$1 to the Fund. Individuals filing with a status of Married Filing Combined may designate any amount equal to or in excess of \$2 to the Fund. DOR deposits the amount(s) designated into the Fund.

DOR is permitted to retain a portion of designations from corporations as reimbursement for the administrative and handling duties; however, as of the end of Fiscal Year 2020, DOR had not retained any amounts designated to the Fund as no designations have been made to the Fund by corporations.

This proposed legislation changes the beginning date of the Missouri National Guard Foundation Fund checkoff program from January 1, 2014 to January 1, 2022. If this proposed legislation were to pass, the Missouri National Guard Foundation Fund checkoff program would sunset December 31<sup>st</sup>, 2033 unless reauthorized by the General Assembly.

Since the Missouri National Guard Foundation Fund checkoff program sunset December 31, 2020, and since the beginning date of the program is changed to all tax years beginning on or after January 1, 2022, no amount(s) could be designated to the Fund by taxpayers for Tax Year 2021.

**Oversight** notes there would be no fiscal impact to GR or TSR as a result of this proposed legislation as these donations are made from moneys that would otherwise be refunded to taxpayers. Rather than receiving a refund in full, taxpayers can designate a portion or all of their refund to the Fund, in which DOR would transfer accordingly.

For purposes of this fiscal note, Oversight will show the impact to the Fund netting zero (\$0); additional revenue will be deposited into the Fund through checkoff donations made by Missouri taxpayers and will then be transferred to the Missouri National Guard Foundation. Oversight will report the additional revenue to the Fund and transfer out of the Fund in an amount equal to the most recent five year average of donations (\$600), calculated using the annual amount of checkoff donations provided by DOR.

The proposed legislation would allow taxpayers to begin designating a portion of, or their full, refund to the Fund beginning in Tax Year 2022. Tax returns for Tax Year 2022 will not be filed until after January 1, 2023 (Fiscal Year 2023). Therefore, Oversight will show the transfer in and transfer out beginning in Fiscal Year 2023.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>MISSOURI NATIONAL GUARD FOUNDATION FUND (0494)</b>			
<u>Transfer In – Section 143.1027 – Reinstatement of the Missouri National Guard Foundation Fund Check-off Program</u>	\$0	\$600	\$600
<u>Transfer Out – transferred to Missouri National Guard Foundation</u>	<u>\$0</u>	<u>(\$600)</u>	<u>(\$600)</u>
<b>ESTIMATED NET EFFECT ON MISSOURI NATIONAL GUARD FOUNDATION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

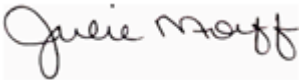
### FISCAL DESCRIPTION

Taxpayers had an option to donate a portion of his or her income tax refund to the Missouri National Guard Foundation Fund; however, this income tax refund donation option sunset on December 31, 2020. This bill reauthorizes the program until December 31, 2033.

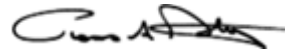
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of Administration – Budget & Planning Division  
Missouri Department of Revenue  
Missouri Department of Public Safety – National Guard



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January 6, 2021



Ross Strobe  
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January 6, 2021