

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bills 1353 and 1354 (as reported without amendment)  
Sponsor: Senator Leon Stille  
Committee: Finance

### **CONTENT**

Senate Bill 1353 would amend the Income Tax Act to allow an individual to designate on his or her annual return a contribution of \$2 or more of his or her refund to "Amanda's Fund for Breast Cancer Research" (proposed by Senate Bill 1354). If a taxpayer's refund were not sufficient to make this contribution, the person could designate a contribution amount that would be added to his or her tax liability. Each year that the contribution designation was in effect, an amount equal to the cumulative designation, less the amount appropriated to the Department of Treasury to implement the bill, would have to be appropriated from the General Fund and deposited in the proposed Fund. The bill would apply to the 2001 tax year and subsequent tax years.

Senate Bill 1354 would create the "Amanda's Fund for Cancer Research Act" to establish the Fund in the Department of Community Health (DCH), in order to provide funds for the promotion of research in Michigan related to breast cancer. The State Treasurer would have to credit to the Fund all amounts appropriated from income tax contributions (as provided in Senate Bill 1353). The DCH would have to use the money in the Fund to support the development of a Statewide breast cancer research plan; provide information to the public about the value of breast cancer research and early detection; develop and publicize criteria for proposals to be funded under the bill; and review and approve proposals for funding. The Department would have to give priority to proposals submitted by applicants located in Michigan. Money in the Fund also could be used as matching funds for a Federal grant or a grant from the National Cancer Institute.

The bills are tie-barred to each other.

Proposed MCL 206.438 (S.B. 1353)

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The fiscal impact of Senate Bill 1353 is indeterminate. It is unknown how much revenue would be generated from an income tax donation designation for breast cancer research. For tax year 2001, \$1,482,000 was generated by the State Campaign Fund designation. In the 1999 tax year, which is the last year they were available, the Children's Trust Fund designation generated \$938,300 and the Nongame Wildlife Fund designation generated \$534,400.

Administrative costs would come out of the revenue received from designations. These costs are unknown for previous funds. The Department of Treasury reports that income tax returns that select one of the possible designations have a higher propensity to have errors. Tax returns with errors cost the State an average of \$8 to process, compared with the \$2 processing cost of error-free tax returns.

Senate Bill 1354 would have an indeterminate fiscal impact on the State depending on the level of Fund activity and the number of individuals, groups, or institutions that might apply for a grant. There could be a fiscal impact on local units of government because county, city, or

township programs would be eligible to receive grants from the Fund. The bill would allow money from the Fund to cover costs of the DCH to review and approve proposals to be funded under the proposed Act.

Date Completed: 6-4-02

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.