

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 748 (Delegate Rudolph, *et al.*)
Ways and Means

Maryland Agricultural Land Preservation Fund - Income Tax Checkoff

This bill requires the Comptroller to include a checkoff on individual income tax return forms for voluntary contributions to the Maryland Agricultural Land Preservation Fund. The Comptroller is required to include specified information in each individual income tax return package, to collect and account for contributions made through the checkoff system, and to credit the net proceeds to the fund.

The bill takes effect July 1, 2001, and applies to all taxable years beginning after December 31, 2000.

Fiscal Summary

State Effect: No net change in total donations to checkoff funds. Approximately \$1 million would be distributed among three funds. The exact amount contributed to each fund cannot be reliably estimated. General fund expenditure increase of \$69,000 in FY 2002 for modification of tax forms.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: There are currently two checkoffs on the personal income tax form -- the Chesapeake Bay and Endangered Species Fund and the Fair Campaign Financing Fund.

State Fiscal Effect: The Chesapeake Bay and Endangered Species Fund checkoff was established in 1990. Contributions were approximately \$1 million per year until the Fair Campaign Financing Fund checkoff was established in 1996. Beginning in 1996, total contributions to the two funds have been approximately \$1 million per year. As a result of this historical data for contributions to the two existing checkoff funds, it is estimated that combined contributions for the three funds would be approximately \$1 million per year. As a result, revenue distributed to the two existing funds could decline. However, the distribution among the three funds cannot be reliably estimated at this time.

The Comptroller's Office reports that it would incur a one-time expenditure increase of \$69,000 to add the checkoff to the personal income tax form. This includes data processing changes to return processing and imaging systems as well as system testing.

Additional Information

Prior Introductions: This bill was introduced as HB 703 in the 2000 session. The bill was withdrawn.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Comptroller of the Treasury (Bureau of Revenue Estimates), Department of Legislative Services

Fiscal Note History: First Reader – March 7, 2001
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