

LEGISLATIVE FISCAL ESTIMATE TO
ASSEMBLY, No. 2183
STATE OF NEW JERSEY

DATED: JANUARY 3, 1997

Assembly Bill No.2183 of 1996 establishes the "American Red Cross Fund" and provides for a tax refund checkoff to appear on State gross income tax returns to permit taxpayers to make voluntary contributions to support the activities of the American Red Cross organization. The bill also permits contributions by taxpayers who are not due refunds through the enclosure of a donation when the tax return is filed. Contributions may be made in amounts of \$5, \$10, or "other amount."

The Office of Legislative Services (OLS) is unable to reliably estimate the amount of taxpayer contributions to this new checkoff fund, but notes that legislation will have no impact on the General Fund because all donations made as a result of this legislation are voluntary and will not reduce or increase an individual's gross income tax liability. The Division of Taxation may incur some administrative expenses; however, these expenses may be recouped under the bill.

The OLS further notes that the other checkoff funds already present on the State gross income tax return may receive fewer contributions due to an additional choice vying for the money. At present, the law provides for a checkoff for the Endangered Wildlife Conservation Fund, the Children's Trust Fund, the Vietnam Veterans' Memorial Fund, the Breast Cancer Research Fund and the Battleship New Jersey Memorial Fund. According to the Division of Taxation, the checkoff provisions resulted in the following amounts of contributions from tax returns filed in 1996 for tax year 1995: \$367,632 to the Endangered Wildlife Conservation fund; \$305,690 to the Children's Trust Fund; and \$161,223 to the Vietnam Veterans' Memorial Fund. These collections constitute the bulk of tax year 1995 checkoff contributions, however the Division notes that it has not completed a final tally. Therefore, total collections may be somewhat higher. The Breast Cancer Research Fund and the Battleship New Jersey Memorial Fund checkoffs will appear for the first time on the 1996 gross income tax return.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.