



## ***Detailed Fiscal Analysis***

S.B. 233 would create the American Red Cross Disaster Response Fund in the state treasury, for the use of the American Red Cross Greater Columbus Chapter. The bill would permit taxpayers to designate a portion of any refund due under the income tax for deposit to the new fund, and would require the Tax Commissioner to provide a space on personal income tax returns for taxpayers to indicate such a designation. Each year the Executive Director of the state Emergency Management Agency shall make one or more grants to the American Red Cross Greater Columbus Chapter using money appropriated from the fund, to be used for implementing disaster preparedness and response programs in the state. The Executive Director of the state Emergency Management Agency is required to report to the General Assembly, in January of odd-numbered years beginning January 2011, the effectiveness of the income tax refund contribution system, including specified items of information.

### **Background information**

Currently there are three lines on the income tax form that allow taxpayers to designate a portion of their refund for a state fund. The following table gives the details of collections under the three funds for tax years 2003 and 2005.

**Current Contributions from Income Tax Refunds**

Tax Year	Ohio's Wildlife Species & Conservation of Endangered Wildlife		Nature Preserves, Scenic Rivers, & Protection of Endangered Species		Military Injury Relief Fund (1)		Total	
	Number of taxpayers	Amount contributed (\$)	Number of taxpayers	Amount contributed (\$)	Number of taxpayers	Amount contributed (\$)	Number of taxpayers	Amount contributed (\$)
2003	56,892	\$435,446	66,397	\$508,218	-	-	123,289	\$943,664
2004	57,668	\$425,002	59,366	\$467,438	-	-	117,034	\$892,440
2005	38,000	\$387,452	44,062	\$416,569	35,721	\$536,736	117,783	\$1,340,757

(1) Created by H.B. 66 of the 126th General Assembly, first available for tax year 2005.

The Department of Taxation is entitled under current law to reimbursement for its costs of administering the income tax refund contribution system, receiving its costs in equal shares from each of the existing funds, up to a maximum of 2.5% of the total amount contributed through the system. The bill would alter current law to add the new American Red Cross Disaster Response Fund to the existing cost reimbursement system.

### *Fiscal effects*

Because the new fund is financed by voluntary donations, there would be no loss of revenue to the GRF or to the local government funds. The amount of revenue to the new fund is uncertain. The new fund would likely receive some revenue, with the amount of such revenue depending on the number and amount of voluntary contributions. There is a possibility that the revenue currently raised under the three existing designations on Ohio's income tax form may be reduced as some of these moneys may be diverted to the new fund. Combining such diverted donations with funds collected through new donations of refunds may result in hundreds of thousands of dollars of revenue to the American Red Cross Disaster Response Fund.

Some administrative costs may be incurred as the Executive Director of the state Emergency Management Agency is required to ensure that the grants are used for the stated purposes and for programs administered within the state.

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