



SF 635 – Income Tax Checkoffs (LSB2810SV)

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Fiscal Note Version – New

Description

[Senate File 635](#) reestablishes the individual income tax checkoffs for the Iowa State Fair Foundation Fund and the joint Veterans Trust Fund and Volunteer Fire Fighter Preparedness Fund. The changes are effective for tax years (TY) 2019 and 2020.

Background

A checkoff allows a taxpayer who files an Iowa individual income tax return to designate a dollar amount to be contributed to a specific fund.

For TY 2018, the following four checkoffs were included on the form:

- Iowa State Fair Foundation Fund
- Fish and Game Protection Fund
- Child Abuse Prevention Program Fund
- Joint Veterans Trust Fund and Volunteer Firefighter Preparedness Fund

Iowa Code section [422.12E](#) provides that when the same four income tax checkoffs have been on the tax return for two consecutive tax years, the two checkoffs with the least amount of contributions over a specified time period are repealed. The Iowa State Fair Foundation Fund and the joint Veterans Trust Fund and Volunteer Fire Fighter Preparedness Fund received the lowest contributed amounts over the latest specified period, so both were repealed by operation of law.

The following table shows the average annual tax checkoff contribution amounts for the last 10 tax years (TY 2008 through TY 2017) and the last two tax years.

Average Annual Checkoff Levels		
Checkoff	Last 10 Tax Years	Tax Years 2016 & 2017 Only
Fish and Wildlife	\$131,872	\$148,354
State Fair	65,944	64,167
Veterans/Fire Fighter	62,543	72,098
Child Abuse	66,690	79,472
Total	\$327,049	\$364,091

Fiscal Impact

The tax checkoffs available on an Iowa individual income tax return are voluntary contributions, and any contribution made represents money donated by the taxpayer and not money diverted from the State General Fund. Reestablishing the two repealed checkoffs will give Iowa taxpayers the opportunity to donate to the two programs through the tax return process for TY 2019 and TY 2020. Annual contributions to the two checkoffs average about \$65,000 each.

Source

Department of Revenue

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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