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FISCAL IMPACT STATEMENT

LS 6950

BILL NUMBER: SB 243

NOTE PREPARED: Dec 22, 2004

BILL AMENDED:

SUBJECT: Military Family Relief Trust Fund.

FIRST AUTHOR: Sen. Long

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes the Military Family Relief Trust Fund to provide grants to the families of Indiana residents who: (1) are members of the Indiana National Guard or the armed forces reserves; and (2) have been called to active duty after September 11, 2001. The bill allows the Veterans' Affairs Commission to establish the eligibility criteria and application and selection procedures for the grants. It funds the fund by taxpayer designation on a state income tax return of: (1) a contribution; or (2) all or part of a state income tax refund.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill creates the Military Family Relief Trust Fund. The purpose of the Fund is to provide assistance with food, housing, utilities, medical services, basic transportation, and other expenses that have become difficult to afford for families of members of the armed forces or National Guard who were called to active duty after September 11, 2001. The Director of Veterans' Affairs is to administer the Fund, which consists of the following: (a) refunds and contributions donated through individual tax returns, (b) appropriations made by the General Assembly, (c) donations, (d) interest, (e) money transferred to the fund from other funds, and (f) money from any other source. The expenses of administering the Fund shall be paid from the Fund.

Creation of Rules: The bill requires the Veterans' Affairs Commission to adopt rules for the provision of grant money from the Fund. The expenses relating to the creation of these rules presumably could be absorbed into the Commission's existing budget.

Veterans' Affairs Check-Off: The bill creates a mechanism for Indiana residents to donate money to the Fund when filing individual or joint state income taxes. The Department of State Revenue (DOR) would incur some administrative expenses relating to the revision of tax forms, instructions, and computer programs to incorporate the tax refund check-off for the Military Family Relief Trust Fund. The bill also requires the DOR to include a written description of the purposes and uses of the Fund in the instructions for the individual income tax return. The check-off would begin in tax year 2006. The expenses relating to these changes presumably could be absorbed given the DOR's existing budget and resources.

Explanation of State Revenues: Currently, Indiana individual income tax forms include one check-off fund, the Non-Game Fund. In tax year 2002, the Fund collected \$407,162 from 33,107 tax returns. It is not known how this new check-off for the Military Family Relief Trust Fund will affect the amount of funds that are directed to the Non-Game Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources:

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