

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



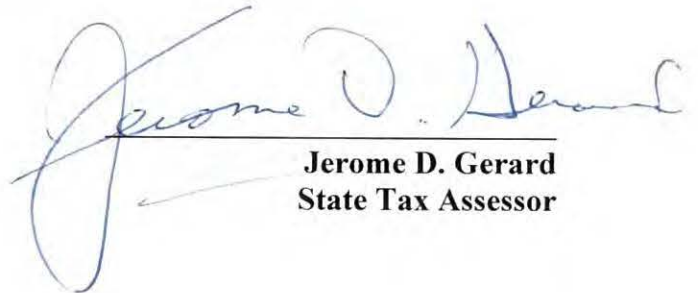
Reproduced from electronic originals
(may include minor formatting differences from printed original)



**Voluntary Contributions Included on the Maine Individual Income Tax
Form (Form 1040ME)**

**A Report Prepared for the
Joint Standing Committee on Taxation
Pursuant to PL 2011, c. 685, § 12**

**Department of Administrative and Financial Services
Maine Revenue Services**


**Jerome D. Gerard
State Tax Assessor**

January 13, 2017



PAUL R. LEPAGE
GOVERNOR

STATE OF MAINE
MAINE REVENUE SERVICES
24 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0024

ADMINISTRATIVE & FINANCIAL SERVICES

RICHARD W. ROSEN
COMMISSIONER

MAINE REVENUE SERVICES

JEROME D. GERARD
EXECUTIVE DIRECTOR

January 13, 2017

Senator Dana Dow, Chair
Representative Ryan Tipping, Chair
Joint Standing Committee on Taxation
100 State House Station
Augusta, ME 04333

Dear Committee Co-Chairs:

Pursuant to Public Law 2011, c. 685, Section 12, I have enclosed herewith the report regarding the voluntary contributions included on the Maine individual income tax form. Please feel free to contact me if you have any questions about this report.

Sincerely,

Jerome D. Gerard

cc: Members of the Joint Standing Committee on Taxation
Aaron Chadbourne, Senior Policy Advisor, Office of the Governor
John Butera, Senior Policy Advisor, Office of the Governor
Richard W. Rosen, DAFS Commissioner
Robert Weaver, DAFS Legislative Coordinator

INTRODUCTION

As provided in PL 2011, c. 685, § 12, “By January 15, 2017, the Department of Administrative and Financial Services, Bureau of Revenue Services shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters identifying the amount contributed to each income tax checkoff under the Maine Revised Statutes, Title 36, chapter 831 over the previous 5 years and the cost of administering the checkoffs, and listing any checkoffs removed from the individual tax return pursuant to Title 36, section 5283-A. By April 1, 2017, the joint standing committee of the Legislature having jurisdiction over taxation matters shall review the report and may submit a bill to the 128th Legislature to implement any recommendations resulting from the review.” See PL 2011, c. 685 as enacted by the 2nd Regular Session of the 125th Maine Legislature at APPENDIX A.

BACKGROUND

Individuals filing Maine income tax returns may designate on that return a portion of their tax refund, or pay a balance due that includes contributions to certain charitable organizations. Contributions to charitable organizations may be tax deductible as an itemized deduction for federal and Maine tax purposes for the tax year during which the contribution was made. Generally, except in the case of fraud, amounts contributed on original returns are final and cannot be amended. See 36 M.R.S. §§ 5283-A, 5284, 5284-A, 5285, 5285-A, 5288-A, 5289, 5290 and 5291 at APPENDIX B.

Current charitable contribution options include:

- 1) Endangered and Nongame Wildlife Fund (Chickadee checkoff)
 - Applicable to tax years beginning on or after January 1, 1983
- 2) Maine Children’s Trust Fund
 - Applicable to tax years beginning on or after January 1, 1985
- 3) Companion Animal Sterilization Fund
 - Applicable to tax years beginning on or after January 1, 2004
- 4) Maine Military Family Relief Fund
 - Applicable to tax years beginning on or after January 1, 2004
- 5) Maine Veterans’ Memorial Cemetery Maintenance Fund
 - Applicable to tax years beginning on or after January 1, 2006
- 6) Maine Public Library Fund
 - Applicable to tax years beginning on or after January 1, 2012

For individual income tax years beginning on or after January 1, 1973, other voluntary contributions included political parties qualified to participate in primary or general elections pursuant to 21-A M.R.S. § 1. Most recently, for tax year 2011, this included the Democratic Party, the Green Independent Party and the Republican Party. Additionally, the Reform Party was briefly certified to be included on the Maine individual income tax return for tax years 1996 through 2000 and the Libertarian Party for tax year 1992. For tax years beginning on or after January 1, 2012, the option to contribute to political parties on Maine individual income tax returns was repealed. Contributions to political parties are not tax deductible.

For tax years beginning before January 1, 1997, applicable checkoff lines were included directly on Forms 1040ME and 1040S-ME. However, beginning with the 1997 forms, a separate schedule (Schedule CP – see APPENDIX C) was created to accommodate the number of checkoffs and park pass purchase options required to be included on the forms.

MINIMUM CONTRIBUTION THRESHOLDS

Public Law 2011, c. 685 required that each charitable contribution checkoff fund listed on Maine individual income tax forms (Form 1040ME and Schedule CP) must have received minimum contributions of \$10,000 during calendar year 2012 in order to remain on the Maine tax forms. For subsequent years, the \$10,000 threshold is increased annually by \$3,000 until it is \$25,000 for calendar years beginning after 2016. See TABLE A below.

TABLE A

Contribution funds must receive minimum annual contributions in order to remain on individual income tax returns in subsequent years equal to the following amounts:

- \$10,000 or more in calendar year 2012
- \$13,000 or more in calendar year 2013
- \$16,000 or more in calendar year 2014
- \$19,000 or more in calendar year 2015
- \$22,000 or more in calendar year 2016
- \$25,000 or more for calendar years after 2016.

As a result of the minimum contributions thresholds indicated above, the checkoff for the Bone Marrow Screening Fund (36 M.R.S. § 5285-A) administered by the Department of Health & Human Services (22 M.R.S., c. 250-A) was removed from the 2013 Maine individual income tax form. Contributions directed to the fund during calendar year 2012 totaled \$8,941, which was less than the required amount of \$10,000. The Bone Marrow Screening Fund was applicable for tax years beginning on or after January 1, 2000, but before January 1, 2013.

The checkoff for the Maine Asthma & Lung Disease Research Fund (36 M.R.S. § 5290) administered by the American Lung Association of Maine (22 M.R.S. § 1700-A) was removed from the 2014 Maine individual income tax form. Contributions during calendar year 2013 totaled \$9,353, which was less than the required amount of \$13,000. The Maine Asthma & Lung Disease Research Fund was applicable to tax years beginning on or after January 1, 2006, but before January 1, 2014.

ANNUAL TRANSFER SCHEDULE

Amounts contributed to each fund on individual income tax returns that are due and filed during the calendar year are transferred quarterly – within the first week of the month following the close of the calendar quarter.

The 4th quarter transfer completed in January includes additional taxpayer contributions designated on individual income tax returns filed during the calendar year for the two previous tax years.

For purposes of quarterly transfers, contribution data is extracted from the Maine Revenue Services Integrated Tax System (MERITS) database using a Cognos query developed to identify the amounts designated on individual income tax returns.

STATISTICS – EXECUTIVE SUMMARY

A summary of amounts contributed to each income tax checkoff fund over the previous five years are provided at APPENDIX D.

Annually, less than one percent of Maine individual income tax taxpayers have exercised the option to make charitable contributions via the Maine individual income tax return. Data indicates that approximately the same number of taxpayers make charitable contributions annually. The addition or removal of a contribution checkoff from the tax forms has not historically had any measurable impact on the total number of contributors and contributions annually, even though there was a slight increase in the aggregate number of contributors and contribution amounts made for tax years beginning in 2012 and thereafter when the Maine Public Library Fund was added to the forms.

Taxpayers may elect to contribute to one or more of the available funds. The average number of contributions made by each taxpayer is 2.4. See TABLE B below.

Note that the **tax year** data included in this report is based on returns filed for the tax year during the three calendar years immediately succeeding the tax year. **Calendar year** data reflects amounts contributed on returns filed during the calendar year for the three tax years immediately preceding the calendar year. *For example, tax year 2011 data reflects contributions made on 2011 tax year returns filed during calendar years 2012, 2013 and 2014, while calendar year 2012 data reflects contributions made on tax year 2009, 2010 and 2011 returns filed during calendar year 2012.*

TABLE B

Tax Year	Total number of Maine taxpayers	Number of taxpayers making charitable contribution(s)	Percentage of contributing taxpayers	Number of contributions made	Average number of contributions per taxpayer
2011	663,086	5,695	.86%	12,025	2.1
2012	664,077	6,495	.98%	15,414**	2.4
2013	684,987	6,536	.95%	15,542	2.4
2014	676,691	6,644	.98%	15,795	2.4
2015*	665,942	6,581	.99%	15,768	2.4

*Data reflects returns filed and contributions made through October 7, 2016.

**The increase in the number of contributions for tax year 2012 is attributable to the addition of the Maine Public Library Fund.

TABLE C below compares the level of contributions to each fund and provides the ratio of contributions to each fund to the total amount of contributions. The most recent tax year for which MRS has the most complete data (tax year 2014) shows that the average annual contribution amount was less than \$35,000, the Nongame and Wildlife Fund receiving the greatest amount at \$42,732 and the Veterans' Memorial Cemetery Fund receiving the least amount at \$23,899. The average annual total contribution for all checkoffs for tax years 2012, 2013 and 2014 was \$197,382. The total increase for all contributions from tax year 2011 to tax year 2012 (the year that the Maine Public Library Fund checkoff was added) was \$42,342; the average total increase from tax year 2012 to tax year 2014 was \$6,483. Note however, as shown above in Table B, the number of contributors and contributions changes very little from year to year, never exceeding 1% of total tax filers.

TABLE C

Tax Year	2015		2014		2013		2012		2011	
Calendar Year	2016		2015		2014		2013		2012	
	Amount Contributed	% of Total	Amount Contributed	% of Total	Amount Contributed	% of Total	Amount Contributed	% of Total	Amount Contributed	% of Total
Nongame & Wildlife Fund	\$41,707	21%	\$42,732	21%	\$41,057	21%	\$41,783	22%	\$31,628	21%
Maine Military Family Relief Fund	\$37,261	19%	\$41,964	21%	\$39,822	20%	\$35,278	19%	\$35,679	24%
Maine Public Library Fund	\$36,897	19%	\$38,151	19%	\$34,940	18%	\$29,638	16%	\$0	0%
Maine Children's Trust	\$30,514	16%	\$30,337	15%	\$28,080	14%	\$23,084	12%	\$24,240	16%
Companion Animal Sterilization Fund	\$26,907	14%	\$25,751	13%	\$24,077	12%	\$22,265	12%	\$21,092	14%
Veterans' Memorial Cemetery Fund	\$23,554	12%	\$23,899	12%	\$20,497	10%	\$17,817	9%	\$16,164	11%
Asthma & Lung Disease Research Fund	\$0	0%	\$0	0%	\$10,970	6%	\$9,418	5%	\$9,866*	7%
Bone Marrow Screening Fund	\$0	0%	\$0	0%	\$0	0%	\$10,585	6%	\$8,857	6%
Total Contributions	\$196,840	100%	\$202,834	100%	\$199,443	100%	\$189,868	100%	\$147,526	100%

*Total contributions made during calendar year 2012 on tax year 2009, 2010 and 2011 returns equaled \$10,029 to meet the minimum contribution level.

ADMINISTRATIVE COSTS – EXECUTIVE SUMMARY

Public Law 2011, c. 685, § 3 removed statutory limits on the amount that may be retained to provide for reimbursement to the General Fund for administrative costs with respect to each checkoff and in its place required Maine Revenue Services to determine annually the actual cost of administering each checkoff. The amount is deducted from contributions received before reporting the remainder to the Treasurer of State for remittance to the designated fund.

Prior to the change, the annual fees for Maine Revenue Services to administer each checkoff were statutorily limited to:

- \$2,000 for administration of the Maine Children’s Trust, the Bone Marrow Screening Fund, the Veterans’ Memorial Cemetery Fund, the Asthma and Lung Disease Research Fund, and, for calendar years 2005 through 2007, the Maine Military Family Relief Fund.
- \$5,000 for administration of the Nongame and Wildlife Fund, the Companion Animal Sterilization Fund, and, after calendar year 2007, the Maine Military Family Relief Fund.

Current estimated administrative costs relative to each fund equal approximately \$15,162 for the initial year of implementation and \$4,162 annually thereafter. First-year costs include computer programming and testing costs to add a line to the Maine Integrated Tax System and to update forms imaging, internet filing systems and data storage (\$11,000). In addition, annual on-going costs include data entry, management and program oversight, computer costs for generating reports for data management, and printing costs. A summary of the administrative costs is provided at APPENDIX E.

The annual on-going costs have fluctuated since calendar year 2011 due to the addition of the Maine Public Library Fund and the removal of the Bone Marrow Screening Fund and the Asthma and Lung Disease Research Fund. See TABLE D below.

TABLE D

Calendar Year	Tax Year	Estimated Costs per fund	Notes
2011	2010	\$2,000 / \$5,000	Statutory limitations
2012	2011	\$2,000 / \$5,000	Statutory limitations
2013	2012	\$2,188	Actual costs – Add the Maine Public Library Fund
2014	2013	\$3,651	Actual costs – Elimination of the Bone Marrow Screening Fund
2015	2014	\$4,123	Actual costs – Elimination of the Maine Asthma & Lung Disease Research Fund
2016	2015	\$4,162	Actual costs

Administration costs are incurred regardless of the number of funds available. As illustrated in TABLE D above, the addition of a new fund results in a decrease in administration costs per fund as the costs are divided among more funds; conversely, the elimination of a fund results in increased costs for each remaining fund.

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Revise the Income Tax Return Checkoffs

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 27 MRSA §8 is enacted to read:

§ 8. Maine Public Library Fund

There is established the Maine Public Library Fund, an interest-bearing account, referred to in this section as "the fund." The fund receives money deposited by the Treasurer of State pursuant to Title 36, section 5291 and any other money contributed to the fund. The fund is administered by the State Librarian. All money deposited in the fund and the earnings on that money remain in the fund to be used to provide grants to free public libraries for use in providing services identified as priority services by the State Librarian. Money in the fund may also be used for the necessary administrative and personnel costs associated with the management of the fund but may not be deposited in the General Fund or any other fund except as specifically provided by law.

Sec. 2. 36 MRSA §5283, as amended by PL 1989, c. 502, Pt. A, §137, is further amended by adding at the end a new paragraph to read:

This section is repealed December 31, 2012.

Sec. 3. 36 MRSA §5283-A is enacted to read:

§ 5283-A. Voluntary contribution through checkoffs

1. Minimum threshold for total contributions. The State Tax Assessor may not include on an individual income tax return form a designation for a taxpayer to make a contribution through a checkoff under section 5284, 5284-A, 5285, 5285-A, 5288-A, 5289, 5290 or 5291 unless on returns filed in the prior calendar year the total contributions to the organization or fund to which the contributions are credited under the applicable section are at least:

- A. For calendar year 2012, \$10,000;
- B. For calendar year 2013, \$13,000;
- C. For calendar year 2014, \$16,000;
- D. For calendar year 2015, \$19,000;
- E. For calendar year 2016, \$22,000; and
- F. For calendar years beginning on or after January 1, 2017, \$25,000.

This subsection does not apply to a contribution checkoff that has been on the individual income tax form for less than one year.

2. Cost of administration. The State Tax Assessor shall determine annually the total amount contributed to each fund or organization by taxpayers making contributions through a checkoff on the individual income tax return form. Prior to the beginning of the next year, the assessor shall deduct the cost of administering the checkoff for the organization or fund and report the remainder to the Treasurer of State, who shall forward that amount to the designated organization or fund.

Sec. 4. 36 MRSA §5284, sub-§2, as amended by PL 2003, c. 414, Pt. B, §68 and affected by c. 614, §9, is further amended to read:

2. Contributions credited to Maine Endangered and Nongame Wildlife Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the assessor shall deduct the cost of administering the nongame checkoff, ~~but not exceeding \$5,000 annually~~, and report the remainder to the Treasurer of State, who shall credit that amount to the Maine Endangered and Nongame Wildlife Fund, which is established in Title 12, section 10253.

Sec. 5. 36 MRSA §5284-A, sub-§2, as enacted by PL 2003, c. 682, §5, is amended to read:

2. Contributions credited to Companion Animal Sterilization Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the assessor shall deduct the cost of administering the Companion Animal Sterilization Fund checkoff, ~~but not exceeding \$5,000 annually~~, and report the remainder to the Treasurer of State, who shall credit the amount to the Companion Animal Sterilization Fund, which is established in Title 7, section 3910-B.

Sec. 6. 36 MRSA §5285, sub-§2, as amended by PL 1993, c. 600, Pt. A, §280, is further amended to read:

2. Contributions credited to the Maine Children's Trust Incorporated. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Maine Children's Trust Incorporated checkoff, ~~but not exceeding \$2,000 annually~~, and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Children's Trust Incorporated, which is established in Title 22, chapter 1058.

Sec. 7. 36 MRSA §5285-A, sub-§2, as amended by PL 2007, c. 240, Pt. TT, §2 and affected by §3, is further amended to read:

2. Contributions credited to the Bone Marrow Screening Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Bone Marrow Screening Fund checkoff, ~~but not exceeding \$2,000 annually~~, and report the remainder to the Treasurer of State, who shall forward that amount to the Bone Marrow Screening Fund.

Sec. 8. 36 MRSA §5288-A, sub-§1, as enacted by PL 2007, c. 674, §1 and affected by §2, is amended to read:

1. Maine Military Family Relief Fund. When filing a return, a taxpayer entitled to a

refund under this Part may designate that a portion of that refund be paid into the Maine Military Family Relief Fund established in Title 37-B, section 158. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Military Family Relief Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than ~~\$1~~\$5. Each individual income tax return form must contain a designation in substantially the following form: "The Maine Military Family Relief Fund: ~~() \$1,~~ () \$5, () \$10, () \$25 or () Other \$... ."

Sec. 9. 36 MRSA §5289, as enacted by PL 2005, c. 519, Pt. RRR, §1 and affected by §3, is amended to read:

§ 5289. Maine Veterans' Memorial Cemetery Maintenance Fund voluntary checkoff

1. Maine Veterans' Memorial Cemetery Maintenance Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Veterans' Memorial Cemetery Maintenance Fund established in Title 37-B, section 504, subsection 6. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Veterans' Memorial Cemetery Maintenance Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than ~~\$1~~\$5. Each individual income tax return form must contain a designation in substantially the following form: "Maine Veterans' Memorial Cemetery Maintenance Fund: ~~() \$1,~~ () \$5, () \$10, () \$25 or () Other \$... ."

2. Contributions credited to Maine Veterans' Memorial Cemetery Maintenance Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost, ~~up to \$2,000 annually,~~ of administering the Maine Veterans' Memorial Cemetery Maintenance Fund checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Veterans' Memorial Cemetery Maintenance Fund.

Sec. 10. 36 MRSA §5290, as enacted by PL 2005, c. 672, §3 and affected by §§6 and 8, is amended to read:

§ 5290. Maine Asthma and Lung Disease Research Fund; voluntary checkoff

1. Maine Asthma and Lung Disease Research Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Asthma and Lung Disease Research Fund established in Title 22, section 1700-A. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Asthma and Lung Disease Research Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than ~~\$1~~\$5. Each individual income tax return form must contain a designation in substantially the following form: "Maine Asthma and Lung Disease Research Fund: ~~() \$1,~~ () \$5, () \$10, () \$25 or () Other \$... ."

2. Contributions credited to Maine Asthma and Lung Disease Research Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost, ~~up to \$2,000 annually,~~ of administering the Maine Asthma and Lung Disease Research Fund checkoff and

report the remainder to the Treasurer of State, who shall forward that amount to the Maine Asthma and Lung Disease Research Fund.

Sec. 11. 36 MRSA §5291 is enacted to read:

§ 5291. Maine Public Library Fund; voluntary checkoff

1. Maine Public Library Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Public Library Fund established in Title 27, section 8. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Public Library Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than \$5. Each individual income tax return form must contain a designation in substantially the following form: "Maine Public Library Fund: () \$5, () \$10, () \$25 or () Other \$...."

2. Contributions credited to Maine Public Library Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Maine Public Library Fund checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Public Library Fund.

Sec. 12. Report and review. By January 15, 2017, the Department of Administrative and Financial Services, Bureau of Revenue Services shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters identifying the amount contributed to each income tax checkoff under the Maine Revised Statutes, Title 36, chapter 831 over the previous 5 years and the cost of administering the checkoffs, and listing any checkoffs removed from the individual tax return pursuant to Title 36, section 5283-A. By April 1, 2017, the joint standing committee of the Legislature having jurisdiction over taxation matters shall review the report and may submit a bill to the 128th Legislature to implement any recommendations resulting from the review.

Sec. 13. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides a one-time appropriation for the administrative costs of adding one additional tax checkoff for the Maine Public Library Fund and eliminating the checkoff for political parties.

GENERAL FUND	2011-12	2012-13
All Other	\$0	\$10,500
GENERAL FUND TOTAL	\$0	\$10,500

APPENDIX A – PL 2011, c. 685

PUBLIC Law, Chapter 685, LD 1826, 125th Maine State Legislature
An Act To Revise the Income Tax Return Checkoffs

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF		
DEPARTMENT TOTALS	2011-12	2012-13
GENERAL FUND	\$0	\$10,500
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$10,500</u>

LIBRARY, MAINE STATE

Maine Public Library Fund N131

Initiative: Allocates funds to provide grants to free public libraries in the State.

OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
All Other	\$0	\$10,000
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$0</u>	<u>\$10,000</u>

LIBRARY, MAINE STATE DEPARTMENT TOTALS		
OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
	\$0	\$10,000
DEPARTMENT TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$10,000</u>

SECTION TOTALS	2011-12	2012-13
GENERAL FUND	\$0	\$10,500
OTHER SPECIAL REVENUE FUNDS	\$0	\$10,000
SECTION TOTAL - ALL FUNDS	<u>\$0</u>	<u>\$20,500</u>

Effective 90 days following adjournment of the 125th Legislature, Second Regular Session, unless otherwise indicated.

HP1347, Signed on 2012-05-21 00:00:00.0 - Second Regular Session - 125th Maine Legislature, page 5

Title 36: TAXATION
Chapter 831: PROCEDURE AND ADMINISTRATION

§5283-A. VOLUNTARY CONTRIBUTION THROUGH CHECKOFFS

1. Minimum threshold for total contributions. The State Tax Assessor may not include on an individual income tax return form a designation for a taxpayer to make a contribution through a checkoff under section 5284, 5284-A, 5285, 5285-A, 5288-A, 5289, 5290 or 5291 unless on returns filed in the prior calendar year the total contributions to the organization or fund to which the contributions are credited under the applicable section are at least:

- A. For calendar year 2012, \$10,000;
- B. For calendar year 2013, \$13,000;
- C. For calendar year 2014, \$16,000;
- D. For calendar year 2015, \$19,000;
- E. For calendar year 2016, \$22,000; and
- F. For calendar years beginning on or after January 1, 2017, \$25,000.

This subsection does not apply to a contribution checkoff that has been on the individual income tax form for less than one year.

2. Cost of administration. The State Tax Assessor shall determine annually the total amount contributed to each fund or organization by taxpayers making contributions through a checkoff on the individual income tax return form. Prior to the beginning of the next year, the assessor shall deduct the cost of administering the checkoff for the organization or fund and report the remainder to the Treasurer of State, who shall forward that amount to the designated organization or fund.

§5284. NONGAME WILDLIFE VOLUNTARY CHECKOFF

1. Maine Endangered and Nongame Wildlife Fund. Taxpayers who, when filing their return, are entitled to a refund under this Part may designate that a part of that refund be paid into the Maine Endangered and Nongame Wildlife Fund established in Title 12, section 10253. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Endangered and Nongame Wildlife Fund by including with that taxpayer's return sufficient funds to make the contribution. Each individual income tax return form must contain a designation in substantially the following form: "Contribution to Maine Endangered and Nongame Wildlife Fund: () \$5, () \$10, () \$25 or () Other \$."

2. Contributions credited to Maine Endangered and Nongame Wildlife Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1.

APPENDIX B – 36 M.R.S. § 5283-A, 5284, 5284-A, 5285, 5285-A, 5288-A, 5289, 5290, and 5291

Prior to the beginning of the next year, the assessor shall deduct the cost of administering the nongame checkoff and report the remainder to the Treasurer of State, who shall credit that amount to the Maine Endangered and Nongame Wildlife Fund, which is established in Title 12, section 10253.

§5284-A. COMPANION ANIMAL STERILIZATION VOLUNTARY CHECKOFF

1. Companion Animal Sterilization Fund. Taxpayers who, when filing their return, are entitled to a refund under this Part may designate that a part of that refund be paid into the Companion Animal Sterilization Fund established in Title 7, section 3910-B. A taxpayer who is not entitled to a refund under this Part may contribute to the Companion Animal Sterilization Fund by including with the taxpayer's return sufficient funds to make the contribution. Each individual income tax return form must contain a designation in substantially the following form: "Contribution to Companion Animal Sterilization Fund: () \$5, () \$10, () \$25 or () Other \$... ."

2. Contributions credited to Companion Animal Sterilization Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the assessor shall deduct the cost of administering the Companion Animal Sterilization Fund checkoff and report the remainder to the Treasurer of State, who shall credit the amount to the Companion Animal Sterilization Fund, which is established in Title 7, section 3910-B.

3. Effective date. This section applies to tax years beginning on and after January 1, 2004.

§5285. MAINE CHILDREN'S TRUST INCORPORATED; CHECKOFF

1. Maine Children's Trust Incorporated. Taxpayers who, when filing their returns, are entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Children's Trust Incorporated established in Title 22, chapter 1058. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Children's Trust Incorporated by including with that taxpayer's return sufficient funds to make the contribution. Each individual income tax return form must contain a designation in substantially the following form: "Contributions to Maine Children's Trust Incorporated: () \$5, () \$10, () \$25 or () Other \$."

2. Contributions credited to the Maine Children's Trust Incorporated. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Maine Children's Trust Incorporated checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Children's Trust Incorporated, which is established in Title 22, chapter 1058.

§5285-A. BONE MARROW SCREENING FUND CHECKOFF

1. Bone Marrow Screening Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Bone Marrow Screening Fund established in Title 22, chapter 250-A. A taxpayer who is not entitled to a refund under this Part may contribute to the Bone Marrow Screening Fund by including with that taxpayer's return sufficient funds to make the contribution. Each individual income tax return form must contain a designation in substantially the following form: "Bone Marrow Screening Fund: () \$5, () \$10, () \$25 or () Other \$."

2. Contributions credited to the Bone Marrow Screening Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Bone Marrow Screening Fund checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Bone Marrow Screening Fund.

3. Effective date. This section applies to tax years beginning on and after January 1, 2000.

§5288-A. MAINE MILITARY FAMILY RELIEF FUND VOLUNTARY CHECKOFF

1. Maine Military Family Relief Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Military Family Relief Fund established in Title 37-B, section 158. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Military Family Relief Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than \$5. Each individual income tax return form must contain a designation in substantially the following form: "The Maine Military Family Relief Fund: () \$5, () \$10, () \$25 or () Other \$... ."

2. Contributions credited to Maine Military Family Relief Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Maine Military Family Relief Fund checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Military Family Relief Fund.

§5289. MAINE VETERANS' MEMORIAL CEMETERY MAINTENANCE FUND VOLUNTARY CHECKOFF

1. Maine Veterans' Memorial Cemetery Maintenance Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Veterans' Memorial Cemetery Maintenance Fund established in Title 37-B, section 504, subsection 6. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Veterans' Memorial Cemetery Maintenance Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than \$5. Each individual income tax return form must contain a designation in substantially the following form: "Maine Veterans' Memorial Cemetery Maintenance Fund: () \$5, () \$10, () \$25 or () Other \$... ."

2. Contributions credited to Maine Veterans' Memorial Cemetery Maintenance

Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Maine Veterans' Memorial Cemetery Maintenance Fund checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Veterans' Memorial Cemetery Maintenance Fund.

§5290. MAINE ASTHMA AND LUNG DISEASE RESEARCH FUND; VOLUNTARY CHECKOFF

1. Maine Asthma and Lung Disease Research Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Asthma and Lung Disease Research Fund established in Title 22, section 1700-A. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Asthma and Lung Disease Research Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than \$5. Each individual income tax return form must contain a designation in substantially the following form: "Maine Asthma and Lung Disease Research Fund: () \$5, () \$10, () \$25 or () Other \$.... ."

2. Contributions credited to Maine Asthma and Lung Disease Research Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Maine Asthma and Lung Disease Research Fund checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Asthma and Lung Disease Research Fund.

§5291. MAINE PUBLIC LIBRARY FUND; VOLUNTARY CHECKOFF

1. Maine Public Library Fund. When filing a return, a taxpayer entitled to a refund under this Part may designate that a portion of that refund be paid into the Maine Public Library Fund established in Title 27, section 8. A taxpayer who is not entitled to a refund under this Part may contribute to the Maine Public Library Fund by including with that taxpayer's return sufficient funds to make the contribution. The contribution may not be less than \$5. Each individual income tax return form must contain a designation in substantially the following form: "Maine Public Library Fund: () \$5, () \$10, () \$25 or () Other \$.... ."

2. Contributions credited to Maine Public Library Fund. The State Tax Assessor shall determine annually the total amount contributed pursuant to subsection 1. Prior to the beginning of the next year, the State Tax Assessor shall deduct the cost of administering the Maine Public Library Fund checkoff and report the remainder to the Treasurer of State, who shall forward that amount to the Maine Public Library Fund.

APPENDIX C – Schedule CP

SCHEDULE CP
FORM 1040ME
2015
 Attachment
 Sequence No. 2
 Name(s) as shown on Form 1040ME

**Charitable Contributions
 and Purchase of Park Passes**
 For more information, go to www.maine.gov/revenue/forms.



99

1502202
 Your Social Security Number

WHO SHOULD FILE SCHEDULE CP? You need to file Schedule CP only if you want to make voluntary charitable contributions to any of the organizations listed below or if you choose to purchase a park pass for entry into Maine State Parks. Otherwise do not file Schedule CP.

		Enter line totals below:				
A. CONTRIBUTIONS	1. Endangered & Nongame Wildlife Fund "Chickadee Check-off"	\$5	\$10	\$25	Other \$..... 1	.00
	2. Maine Children's Trust	\$5	\$10	\$25	Other \$..... 2	.00
	3. Companion Animal Sterilization Fund	\$5	\$10	\$25	Other \$..... 3	.00
	4. Maine Military Family Relief Fund	\$5	\$10	\$25	Other \$..... 4	.00
	5. Maine Veterans' Memorial Cemetery Maintenance Fund	\$5	\$10	\$25	Other \$..... 5	.00
	6. Maine Public Library Fund	\$5	\$10	\$25	Other \$..... 6	.00
	7. TOTAL CONTRIBUTIONS. (Add lines 1 through 6)					7
B. PARK PASSES	8. Number of Individual Day-use Park Passes		x \$35	 8	.00
	9. Number of Vehicle Day-use Park Passes		x \$70	 9	.00
	10. TOTAL CONTRIBUTIONS AND PARK PASS PURCHASES (Add lines 7, 8 and 9. Enter result here and on Form 1040ME, line 31			 10	.00

Note: If you are filing an amended return, the correct amount of your charitable contributions and park passes must agree with the total amounts shown on your original return. Contribution and park pass amounts cannot be changed on your amended return.

Any voluntary charitable contribution you make on lines 1 through 6 above may qualify for a charitable contributions deduction on your 2016 federal and Maine income tax returns if you itemize deductions. For more information, see federal Publication 526, "Charitable Contributions" available at www.irs.gov.

APPENDIX D – Statistical Summary

Amounts contributed to each contribution fund – 5 year history. Tax year 2015 data reflects returns filed and contributions made through October 7, 2016.

Maine Contributions History									
		Nongame & Wildlife Fund		Maine Children's Trust		Bone Marrow Screening Fund		Companion Animal Sterilization Fund	
<i>Statutory cite:</i>		36 MRSA § 5284 PL 1983, c. 526		36 MRSA § 5285 PL 1985, c. 441		36 MRSA § 5285-A PL 1999, c. 731, Pt. SS PL 2007, c. 240, Pt. TT ④ August 11, 2000		36 MRSA § 5284-A PL 2003, c. 682	
<i>Effective date:</i>		September 23, 1983 Returns filed on or after 1/1/1983		September 19, 1985 Returns filed on or after 1/1/1985		Returns filed on or after 1/1/2000		July 30, 2004 Returns filed on or after 1/1/2004	
<i>Application date:</i>									
Tax Year	Total Returns Processed	Contributions	Returns	Contributions	Returns	Contributions	Returns	Contributions	Returns
2011	663,086	\$31,628.00	2,462	\$24,240.00	1,792	\$8,857.00	1,050	\$21,092.00	1,692
2012	664,077	\$41,783.00	3,178	\$23,084.00	1,866	\$10,585.00	1,161	\$22,265.00	1,888
2013	684,987	\$41,057.00	3,200	\$28,080.00	2,078	n/a	n/a	\$24,077.00	2,099
2014	676,691	\$42,732.00	3,381	\$30,337.00	2,334	n/a	n/a	\$25,751.00	2,169
2015	665,942	\$41,707.00	3,503	\$30,514.00	2,318	n/a	n/a	\$26,907.00	2,248
		Maine Military Family Relief Fund		Veteran's Memorial Cemetary		Asthma & Lung Disease		Maine Public Library Fund	
<i>Statutory cite:</i>		36 MRSA § 5288 / 5288-A PL 2003, c. 703 / PL 2007, c. 674		36 MRSA § 5289 PL 2005, c. 519, § RRR-		36 MRSA § 5290 PL 2005, c. 672, § 3		36 MRSA § 5291 PL 2011, c. 685	
<i>Effective date:</i>		July 30, 2004 Returns filed on or after 1/1/2004		March 29, 2006 Returns filed on or after 1/1/2006		August 23, 2006 Returns filed on or after 1/1/2006		August 30, 2012 Returns filed on or after 1/1/2012	
<i>Application date:</i>									
Tax Year	Total Returns Processed	Contributions	Returns	Contributions	Returns	Contributions	Returns	Contributions	Returns
2011	663,086	\$35,679.00	2,297	\$16,164.00	1,588	\$9,866.00	1,144	n/a	n/a
2012	664,077	\$35,278.00	2,271	\$17,817.00	1,557	\$9,418.00	1,000	\$29,638.00	2,493
2013	684,987	\$39,822.00	2,470	\$20,497.00	1,754	\$10,970.00	1,122	\$34,940.00	2,819
2014	676,691	\$41,964.00	2,706	\$23,899.00	2,072	n/a	n/a	\$38,151.00	3,133
2015	665,942	\$37,261.00	2,582	\$23,554.00	2,058	n/a	n/a	\$36,897.00	3,059

2016 Costs for Administering a Voluntary Contribution:

Initial Cost (only for first year a fund appears on Schedule CP):

Computer Programming (# additional lines @ \$11,000/each)	\$ 11,000.00
Applies only to the first year for each new fund (includes programming and testing to update the MERITS FDF, forms imaging, internet filing systems and data storage).	

Annual On-going Costs

- | | |
|--|-------------|
| 1) Data Entry:
Assumes 6,500 affected returns; processing rate of 100 returns/hour; Office Associate I @ \$34/hour. Total cost divided by 6 – the number of tax year 2015 contribution funds.
(6,500 returns ÷ 100 = 65 hours x \$34 = \$2,210 ÷ 6) | \$ 368.00 |
| 2) Management Costs*:
Assumes 165 hours/year; Senior Tax Examiner @ \$45/hour. Total Cost divided by 6 – the number of tax year 2015 contribution funds.
(165 hours x \$45/hour = \$7,425 ÷ 6) | \$ 1,238.00 |
| 3) Computer Costs** (MERITS reports, etc):
Assumes 27 reports printed annually @ \$500/each
Total cost divided by 6 – the number of tax year 2015 contribution funds.
(27 x \$500 = \$13,500 ÷ 6) | \$ 2,250.00 |
| 4) Printing Costs:
Costs for printing 1 page Schedule CP in 65,000 2015 Form 1040ME booklets and 1,000 2015 single Form Schedule CP. Total cost divided by 6 – the number of tax year 2015 contribution funds.
(\$1,836 ÷ 6) | \$ 306.00 |

Total on-going costs:	\$ 4,162.00
------------------------------	--------------------

Total first year only costs: (on-going costs plus initial computer programming)	\$ 15,162.00
---	---------------------

***Calculation of Management Costs:**

135 hours annually to process monthly reports (5 hrs/report)
 10 hours annually to process errors, desk audit adjustments
20 hours annually for research, legislative, statistical, accounting & reporting, etc.
 165 hours x \$45 (hourly rate for Sr. Tax Examiner) = \$7,425 / 6 (number of contributions)
 Note that Sr. Tax Examiner position cost used as average.

****Computer Costs include:**

Database maintenance, data storage, report production, image storage, etc.
 Jan - May weekly reports / June - Dec 1 run per month = 27 reports