

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 19, 2010 **Bill Number:** H. B. 4616 (As amended by House 04/28/10)

Author: Littlejohn, Brantley, Hodges, Jefferson, R.L. Brown, Clemmons, Cobb-Hunter, Herbkersman, Weeks and M.A. Pitts

Committee Requesting Impact: House Ways & Means

Bill Summary: A bill to amend Section (§) [50-9-510](#), as amended, Code of Laws of South Carolina, 1976, relating to hunting and other licenses, so as to add a one-dollar surcharge to each license fee contained in the section and provide that this surcharge must be used for the purpose of feeding hungry individuals in the manner provided in [§50-1-275](#); and to add [§50-1-275](#) so as to provide for the manner in which the one-dollar surcharge must be used for the purpose of feeding hungry individuals, including the establishment of a seven-member board in each game zone to oversee the expenditure of the funds allocated to that game zone for this purpose... **as amended.**

REVENUE IMPACT ^{1/}

This bill, as amended, is expected to raise DNR proceeds from donations by a total of \$46,690 in FY 2010-11. Of this total increase, \$35,017 would go to a new restricted fund within DNR to be apportioned equally among respective game zones in this State; whereas the balance of \$11,673 would go to DNR earmarked funds. The net impact on state General Fund revenue is expected to range from zero to minimally negative in FY 2010-11.

Explanation: This bill, as amended, provides that a voluntary donation can be accepted in conjunction with base charge for those hunting and fishing license fees administered by the Department of Natural Resources (DNR) as applicable under Section 50-9-510, paragraphs (1) through (18). Of total donation proceeds, 75% is apportioned to a new, interest-earning restricted fund account within DNR, to be allotted equally among 'game zones' in this State by respective game zone boards for disbursement to selected local charities and used to feed the hungry. DNR would retain the residual 25% of total donations as earmarked funds for administrative support, and to promote an existing program wherein a meat packer, butcher, or processing plant can claim a nonrefundable income tax credit of \$50 for each deer carcass processed for subsequent donation as food to the needy.

Based on recent donations to the Endangered Wildlife Fund, via Schedule I-330 as an attachment to state personal income tax returns, we estimate approximately 10% of license purchasers would make a voluntary contribution with an average donation of \$2 in FY 2010-11. Based on actual DNR records in FY 2008-09, multiplying 233,450 current licensees times a factor of .10, times \$2, yields \$46,690 in total donations in FY 2010-11, to be allocated at \$35,017 (@ 75%) to DNR restricted funds; \$11,673 (@ 25%) to DNR earmarked funds. Further, based on latest records of the S.C. Department of Revenue, no Venison for Charity tax credit was claimed in tax year 2008 under Section 12-6-3750. Thus, the projected impact to reduce net individual or corporate income tax revenue from this ongoing tax credit in FY 2010-11 is expected to be minimal, if any. Since no donation income is allotted to the state's General Fund, the overall impact of the bill is therefore expected to range from zero to a minimally negative impact on General Fund revenue in FY 2010-11.

/s/ William C. Gillespie

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Di Biase

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).