

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 951 (First Edition)

SHORT TITLE: Eliminate Tax Designation for Political Party.

SPONSOR(S): Representatives Riddell, Whitmire, Burr, and Brody

FISCAL IMPACT

(\$ in millions)

Yes No No Estimate Available

State Impact	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State Board of Elections					
General Fund Revenues:	2.0	2.0	2.0	2.0	2.0
General Fund Expenditures:					
Special Fund Revenues:	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Special Fund Expenditures:	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
State Positions:					
NET STATE IMPACT	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0

Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:

State Board of Elections

EFFECTIVE DATE January 1, 2013

TECHNICAL CONSIDERATIONS:

None

BILL SUMMARY:

House Bill 951 would repeal GS 105-159.1 which allows for a designation of tax by individuals to the North Carolina Political Parties Financing Fund. The funds go to the political party designated by the taxpayer.

ASSUMPTIONS AND METHODOLOGY:

A taxpayer whose income tax liability is \$3 or more may designate \$3 of the tax to the North Carolina Political Parties Financing Fund. Couples who are filing a joint return may designate \$3 each if their tax liability is at least \$6.

Based on the most recent Biennial Tax Expenditure Report produced by the NC Department of Revenue, the annual revenue that is designated for the Fund is approximately \$2 million. H951 would not affect revenue collections, but would eliminate the designation of tax revenue for this purpose. Because the funds would remain in the General Fund instead of being designated to the NC Political Parties Financing Fund, the result is a \$2 million increase to the General Fund.

State Board of Elections (SBOE)

1. The Fund currently pays for 1.5 full time equivalent positions at SBOE. Those positions are:
 - 1 FTE General Accounts Auditor 1 position, \$54,811(salary and benefits)
 - .52 FTE Deputy Director of Campaign Finance, \$54,430 (52% of salary and benefits)
2. SBOE paid out over \$2.5 million from the Political Parties Financing Fund and NC Presidential Election Year Fund.

SOURCES OF DATA: State Board of Elections

TECHNICAL CONSIDERATIONS: None

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