

**TESTIMONY OF  
MICHAEL J. ALLEN, ASSOCIATE COMMISSIONER FOR TAX POLICY  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**

Before the Joint Standing Committee on Taxation  
Hearing Date: *April 2, 2021*

LD 1046 – *“An Act To Create an Income Tax Return Checkoff for Hunger  
Prevention”*

-----  
Senator Chipman, Representative Terry, and members of the Taxation Committee – good morning, my name is Michael Allen, Associate Commissioner for Tax Policy in the Department of Administrative and Financial Services. I am providing testimony at the request of the Administration Neither For Nor Against LD 1046 – *“An Act To Create an Income Tax Return Checkoff for Hunger Prevention”*.

For tax years beginning on or after January 1, 2022, the bill establishes a check-off designation on individual income tax returns for taxpayer contributions to the Emergency Food Assistance Program Fund to be administered by the Department of Agriculture, Conservation and Forestry.

There are currently seven check-off lines on the Maine individual income tax forms for making contributions to worthy Funds – the Endangered & Nongame Wildlife Fund, the Maine Children’s Trust, the Companion Animal Sterilization Fund, the Maine Military Family Relief Fund, the Maine Veterans’ Memorial Cemetery Maintenance Fund, the Maine Public Library Fund, and the Maine Children’s Cancer Research Fund. The tax forms are also used for purchasing passes for access to Maine state parks. Beginning with the 1997 forms, a separate schedule –Schedule CP – was created to accommodate the check-off and park pass purchase lines.

These contribution checkoffs, as well as the one being proposed, are all worthy. But there are many other causes that could be included on Maine tax forms, and the income tax return has become increasingly complicated by the inclusion of items that are not required to properly administer the tax laws. A growing number of checkoffs detracts from the primary purpose of the income tax return and makes the tax booklet appear to be even more complex than it already is.

As a technical comment, the Administration notes that the bill requires donations to the Fund to be at least \$5 (page 2 of the bill, line 3) but also might appear to limit donations to \$5 (page 2, line 5). Currently, for other checkoff contributions, taxpayers may elect to contribute \$5, \$10, \$25, or another amount of their choice to the charitable funds included on Schedule CP.

The preliminary fiscal impact estimate is not available at this time. The preliminary administrative cost is estimated to be \$14,855 in FY2022-2023 and \$3,855 in FY2023-2024.

The Administration looks forward to working with the Committee on the bill; representatives from MRS will be here for the Work Session to provide additional information and respond in detail to the Committee's questions.