



New York State Comptroller
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Economic and Policy Insights

As Personal Income Tax Checkoffs Increase in Number, Disbursements Lag for Most Funds

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Introduction

Of the 42 states that impose a personal income tax, nearly all allow taxpayers to make charitable contributions through checkoffs on their personal income tax (PIT) returns.¹ New York has the highest number of checkoffs of any state, offering 34 such options in Tax Year 2022.² Even as the number of checkoffs has grown dramatically in the last 10 years, they have not resulted in substantially more contributions and the number of filers participating have steadily declined.³ Furthermore, disbursements occur from only a few funds annually; as a result, balances have grown over time for many of the funds. Improved compliance with reporting requirements from the agencies that administer these funds is necessary to understand why funding is not being disbursed to the causes intended by taxpayers, and lawmakers should consider whether these funds are achieving their intended purpose.

More Checkoffs Have Not Resulted in Greater Contributions

In SFY 2022-23, contributions to the State's PIT checkoffs totaled \$3.2 million. Figure 1 shows the five funds with the highest share of contributions that year. Two of the oldest checkoff funds, Return a Gift to Wildlife and Gift for Breast Cancer Research and Education, have historically had some of the largest shares of contributions. The NYS Campaign Finance checkoff, which went into effect in tax year 2021, received the highest share in SFY 2022-23, nearly a quarter of all contributions.

Figure 1
Five Checkoff Funds with Highest Share of Contributions, SFY 2022-23

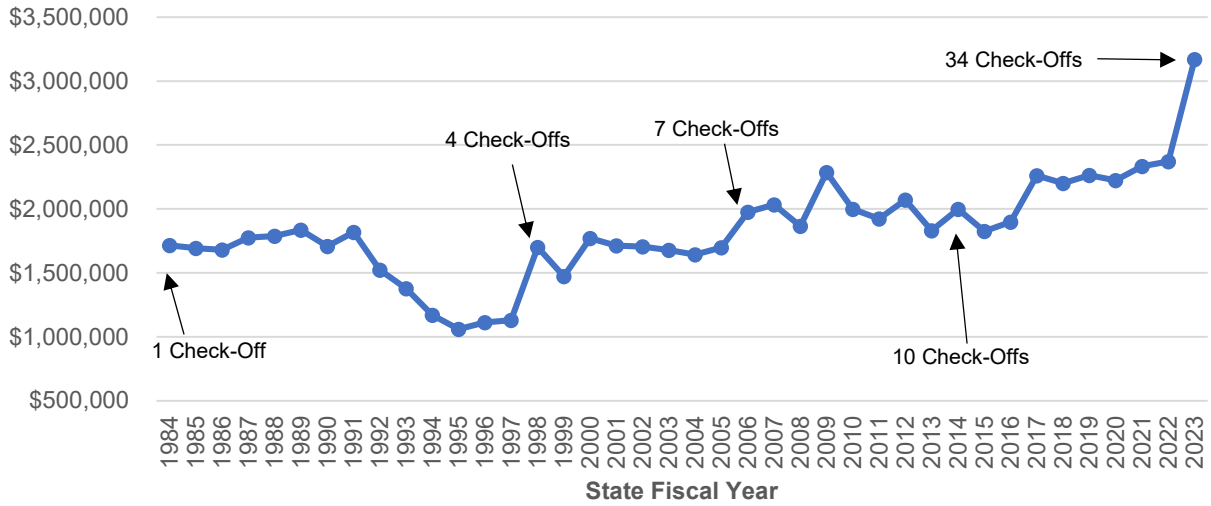
Checkoff Fund	Effective Tax Year	Share of Total Contributions
NYS Campaign Finance	2021	24.9%
Breast Cancer Research and Education	1997	8.9%
Food Banks	2020	7.9%
Return a Gift to Wildlife	1983	7.7%
Alzheimer's Disease Support Services	2001	6.1%

Source: NYS Department of Taxation and Finance

The amount of taxpayer contributions to checkoffs has lagged significantly behind the rate at which the number of checkoffs has increased. In SFY 1983-84, when one checkoff was available, contributions totaled \$1.7 million. (See Figure 2.) While there were 34 eligible checkoffs in SFY 2022-23, the total amount of contributions increased by just \$1.4 million. The rate of inflation for this period (194 percent) was over double the increase in contributions (84.8 percent), meaning the funds are garnering less on an inflation-adjusted basis.

Total contributions increased significantly in SFY 2022-23 from the previous year; this is primarily attributable to the large amount of contributions to the NYS Campaign Finance Fund (over \$788,000) which was created in the 2021 tax year. Excluding these contributions, the total amount collected for all other check-off funds increased by \$28,730 in SFY 2022-23, growth of 1.2 percent.

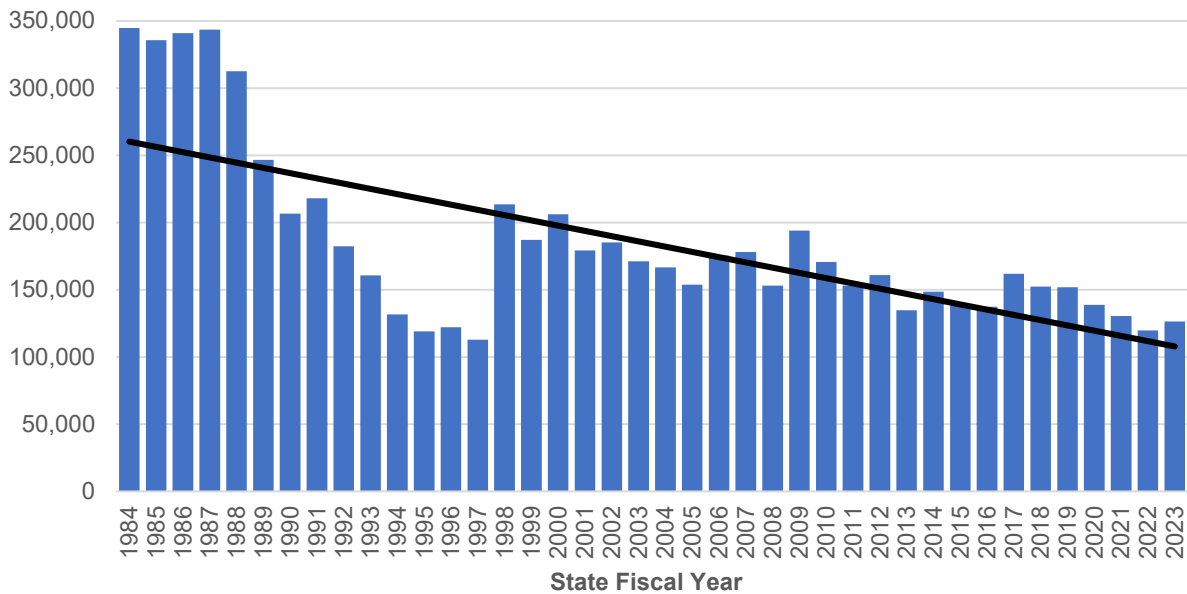
Figure 2
Total Contributions to Checkoff Funds, SFY 1983-84 – SFY 2022-23



Source: NYS Department of Taxation and Finance

While the number of tax filers contributing to checkoff funds fluctuates from year to year, the trend is a steady decline over time. (See Figure 3.) In fact, the highest number of contributors, over 344,000 filers, was in the year when the first checkoff went into effect. In the last fiscal year, there were over 218,400 fewer filers donating, a decline of 63.4 percent. Prior to SFY 2022-23, the top two funds for the number of contributions every year were those for wildlife conservation and breast cancer research. While the NYS Campaign Finance Fund ranked first for number of contributions in SFY 2022-23, these two funds still rounded out the top three.

Figure 3
Total Filers Contributing to Tax Checkoffs, SFY 1983-84 – SFY 2022-23

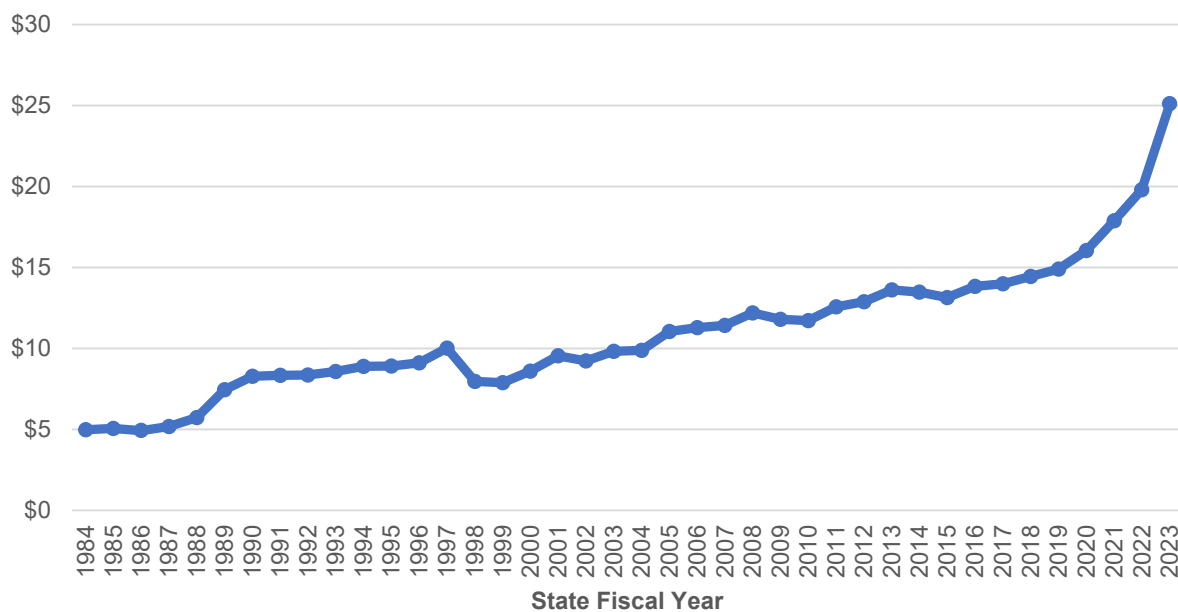


Source: NYS Department of Taxation and Finance

A potential reason for the decline in contributors may be the significant increase in the number of checkoffs in recent years. From 2015 through 2022, an average of more than three checkoffs per year were created. Where checkoffs previously accounted for just one line on a taxpayer’s annual return, taxpayers are now required to file a separate form with their returns to participate.

However, taxpayers who contributed to the checkoff funds were more generous. The average contribution grew from nearly \$5 per taxpayer in SFY 1983-84 to just over \$25, average growth of 10.1 percent annually (See Figure 4). In just the past five fiscal years, the average contribution increased by 74 percent.⁴

Figure 4
Average Contribution Amount for All Checkoff Funds, SFY 1983-84 through SFY 2022-23



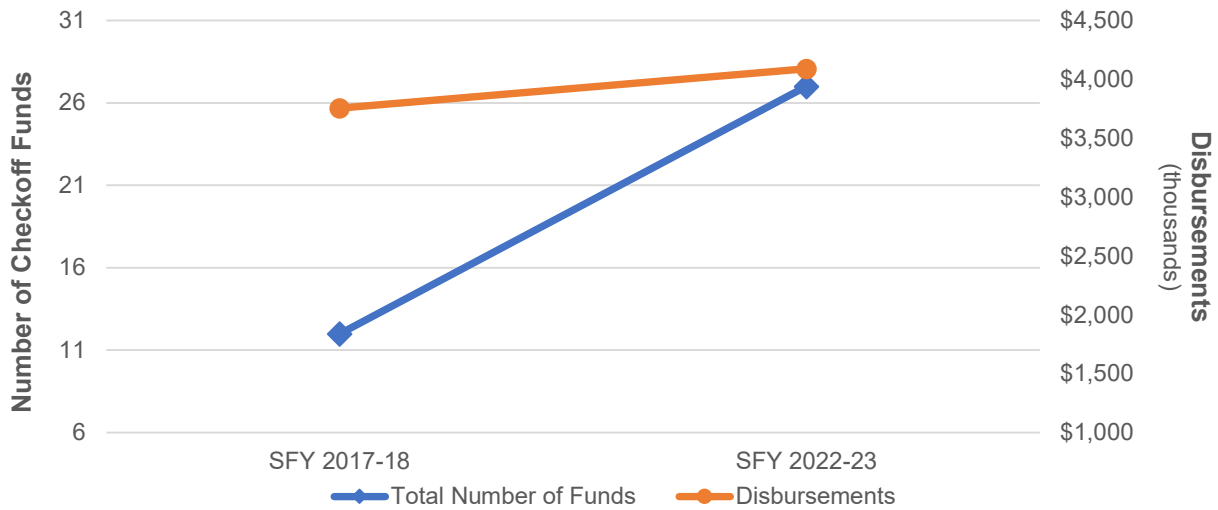
Source: NYS Department of Taxation and Finance, OSC Calculations

As Fund Disbursements Continue to Lag, Fund Balances Grow

For the purposes of this report, four funds are excluded from the reporting of disbursements because they may have broader receipts and disbursements (for example, the Conservation Fund) while three others are excluded because they exist as sole custody accounts where their receipts and disbursements are not included in the State’s financial accounting system (such as the World Trade Center 9/11 Memorial Fund).⁵

Of the remaining 27 funds, only 8 funds had disbursements in SFY 2022-23 even though appropriations were included in the SFY 2022-23 Enacted Budget for 15 funds.⁶ Disbursements from the 8 funds totaled \$4.1 million, an increase of just over \$1 million or 33.1 percent from the year prior. However, compared to SFY 2017-18, disbursements increased by only 8.9 percent while the number of checkoff funds more than doubled to 27. (See Figure 5.)

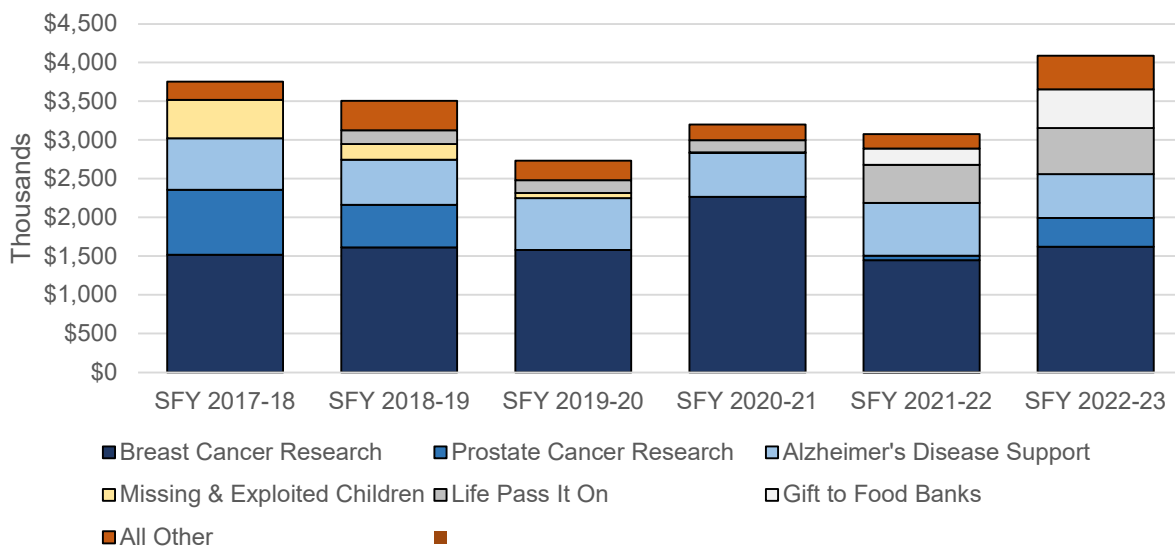
Figure 5
Comparison of Checkoff Funds and Fund Disbursements, SFY 2017-18 and SFY 2022-23



Source: Office of the NYS Comptroller

Over the last five fiscal years, spending was made from less than half of the 27 checkoff funds.⁷ Only funds for Breast Cancer Research and Education and Alzheimer’s Disease Support Services had spending in every year. (See Figure 6.)

Figure 6
Disbursements by Checkoff Fund, SFY 2017-18 to SFY 2022-23



Note: While the Life Pass It On fund had disbursements since SFY 2018-19, that spending was mainly from moneys dedicated to the fund from license plate fees as the PIT checkoff was not created until SFY 2019-20. All Other include the funds for: Women’s Cancer Education, Mental Illness Anti-Stigma, Volunteer Fire and EMS Recruitment and Retention, Autism Awareness, NYS Teen Health Education, Olympic Training Center, and Love Your Library. The remaining checkoff funds had no disbursements.

Source: Office of the New York State Comptroller

With the highest amount of spending last year, the Breast Cancer Research and Education Fund also had the largest decline in its fund balance. Conversely, the Veterans Remembrance and Cemetery Maintenance Fund had the highest increase, over \$950,000. Two of the funds with balances, Gifts for the State Library System and Gifts for Lyme and Tick-Borne Diseases Education, were not eligible to receive contributions in the prior fiscal year.

As part of the SFY 2020-21 Enacted Budget, the checkoff for the New York State Campaign Finance Fund was created following a report by the Campaign Finance Reform Commission in December 2019.⁸ While it became eligible for contributions in the 2021 tax year and has received a total of \$815,501, there has yet to be any spending from the fund. This is likely due to the Fund only being available for state-level elections (i.e., governor, lieutenant governor, attorney general, comptroller, and state legislators) with the most recent being in 2022 when tax year 2021 annual returns were filed.

In the case of Gift for New York State Veterans' Home, moneys in the fund are required to be disbursed in equal amounts annually to the five veterans' homes: the Oxford Veterans Home, the St. Albans Veterans Home, the Batavia Veterans Home, the Montrose Veterans Home, and the Long Island State Veterans Home at Stony Brook University.⁹ However, no disbursements have ever been made.

Contributions to the State's checkoff funds are statutorily required to be disbursed in the year they are received, to the extent practicable. However, in SFY 2022-23, the aggregate accumulated fund balances of the 27 funds eligible to receive donations totaled nearly \$13.7 million, an increase of over \$850,000 from the prior year. Less than one-third of the funds had a decline in their accumulated balances. (See Figure 7.)

Figure 7
Receipts, Disbursements, and Accumulated Fund Balances by PIT Checkoff Fund, SFY 2022-23

Program	Total Receipts	Total Disbursements	Accumulated Fund Balance	
			SFY 2022-23	Change from SFY 2021-22
Prostate Cancer Research, Detection and Education*	\$261,221	\$372,223	\$3,177,849	(\$111,002)
Breast Cancer Research*	\$646,362	\$1,620,000	\$2,565,909	(\$973,638)
Veterans Remembrance and Cemetery Maintenance and Operation	\$951,501	\$0	\$1,503,203	\$951,501
Volunteer Firefighting and Emergency Services Recruitment and Retention	\$170,768	\$0	\$1,393,468	\$170,768
Homeless Veterans Assistance	\$154,649	\$0	\$1,336,939	\$154,649
Organ and Tissue Donation Outreach and Research*	\$186,919	\$595,618	\$1,068,237	(\$408,700)
Autism Awareness and Research*	\$125,835	\$0	\$922,159	\$125,835
Campaign Finance*	\$789,062	\$0	\$816,330	\$789,062
Alzheimer's Disease Support Services	\$411,616	\$565,724	\$771,510	(\$154,108)
Missing and Exploited Children	\$140,370	\$0	\$553,019	\$140,370
Veterans Home Assistance Fund	\$55,295	\$0	\$363,714	\$55,295
Senior Wellness in Nutrition*	\$69,507	\$0	\$341,886	\$69,507
Lupus Education and Prevention*	\$63,511	\$0	\$269,226	\$63,511
Mental Illness Anti-Stigma*	\$80,628	\$212,748	\$235,182	(\$132,120)
Military Family Relief	\$51,831	\$0	\$230,676	\$51,831
Love Your Library*	\$53,878	\$150,000	\$201,927	(\$96,122)
Women's Cancers Education and Prevention	\$61,959	\$74,031	\$184,913	(\$12,072)
Leukemia, Lymphoma, and Myeloma	\$85,531	\$0	\$183,774	\$85,531
Gifts for Food Banks	\$262,307	\$500,000	\$162,257	(\$237,693)
ALS Research and Education	\$47,578	\$0	\$158,022	\$47,578
Lake Placid Olympic Training Center	\$10,270	\$0	\$108,212	\$10,270
School-Based Health Centers	\$23,838	\$0	\$95,585	\$23,838
Teen Health Education	\$26,848	\$0	\$75,106	\$26,848
Substance Use Disorder Education and Recovery Fund	\$49,805	\$0	\$68,812	\$49,805
Firearm Violence Research	\$32,234	\$0	\$43,421	\$32,234
Lyme and Tick-Borne Diseases Education, Research, and Prevention	\$8,308	\$0	\$8,308	\$8,308
State Library System	\$7,874	\$0	\$7,874	\$7,874
Total	\$4,568,287	\$3,718,121	\$13,669,667	\$850,164

Funds listed in order of accumulated fund balance.

*These funds receive revenues from sources other than PIT checkoff contributions, such as license plate fees. All checkoff funds earn Short-Term Investment Pool (STIP) interest.

Reporting Still Sparse

Section 71-b of the State Finance Law generally requires each of the entities administering the tax check-off funds to submit a report annually to certain members of the Legislature, the Comptroller and the public relating to the disbursements of money from the funds. Reporting is also specifically required under statutes creating some of the checkoff funds. Since many of the checkoffs from their funds have had no spending, no reports for any of those funds have been completed.

Even where disbursements were made, reporting was done for less than half of the funds. For example, the State Department of Education issued a report in 2023 for the Love Your Library Fund, but not the Teen Health Education Fund.¹⁰ The Division of Homeland and Emergency Services released its report on the Volunteer Firefighter and EMS Recruitment and Retention Program in February of this year.¹¹ The Office of Mental Health, which is required to report on disbursements from the Mental Illness Anti-Stigma fund, did so for its 2022 expenditures in February 2023.¹²

The Department of Health (DOH) is required to issue an annual report for the following funds: Gift for Food Banks, Life, Pass It On (organ donation), Prostate and Testicular Cancer Research, Breast Cancer Research and Education, Autism Awareness, Women's Cancers Education, and Alzheimer's Disease Assistance. However, the only reports published were for Prostate and Testicular Cancer Research (2021), Alzheimer's Disease Assistance (2020) and Autism Awareness (2019). Other entities required to submit reports are the New York State Olympic Regional Development Authority, the World Trade Center Memorial Foundation, the Office of People with Developmental Disabilities, and the Division of Criminal Justice Services.

Conclusion

PIT checkoffs may be considered a "one-stop shop" for taxpayers to make charitable contributions, but there has been a proliferation of checkoffs in just the last five years. During the 2023 legislative session, nine new checkoffs were proposed; two were enacted: Gift for Diabetes Research and Education and Gift for Childhood Cancer Research.

The number of taxpayers contributing to the checkoff funds has been consistently declining since the first one was enacted 40 years ago. Despite the increase in the number of funds, the total amount contributed has shown little growth; however, the average donation has grown.

Even so, the donations that are made are not being spent, despite the statutory requirements to do so. Less than one-third of funds had disbursements in the last six years; only two with spending every year. Agencies should improve compliance with reporting requirements to provide greater clarity on why spending from the funds may be lagging.

Although tax checkoffs have been established to provide funding to an array of worthy causes, the number of taxpayers contributing to them has diminished and agencies' spending for their intended purposes has continued to lag. As a result, fund balances continue to accumulate, and the important purposes for which these checkoffs were created do not receive the support intended.

Appendix A

Personal Income Tax Checkoffs, Contributions by Fund, SFY 2022-23

Program	Tax Year Implemented	Number	Total Amount	Average Donation
Return a Gift to Wildlife	1983	11,171	\$245,361	\$21.96
Lake Placid Olympic Training Center	1997	2,667	\$7,918	\$2.97
Breast Cancer Research	1997	8,672	\$282,672	\$32.60
Missing & Exploited Children	1998	6,772	\$129,095	\$19.06
Alzheimer's Disease Support Services	2001	7,641	\$193,938	\$25.38
Prostate Cancer Research, Detection, and Education	2005	4,829	\$76,362	\$15.81
World Trade Center Memorial Foundation	2006	3,146	\$64,394	\$20.47
Volunteer Firefighter and Emergency Services Recruitment and Retention	2011	4,766	\$140,774	\$29.54
NYS Teen Health Education	2014	2,220	\$25,398	\$11.44
Veterans' Remembrance and Cemetery Maintenance and Operation	2014	2,129	\$33,365	\$15.67
Mental Illness Anti-Stigma	2016	3,592	\$70,525	\$19.63
Homeless Veterans Assistance	2016	5,572	\$125,980	\$22.61
Women's Cancers Education and Prevention	2016	3,083	\$56,359	\$18.28
Autism Awareness	2017	3,656	\$96,146	\$26.30
Veterans' Homes	2018	2,639	\$47,215	\$17.89
Love Your Library	2019	3,395	\$43,413	\$12.79
Lupus Education and Prevention	2019	1,842	\$56,585	\$30.72
Military Family Relief	2019	2,329	\$46,648	\$20.03
City University of New York (CUNY) Fund	2019	1,459	\$19,146	\$13.12
ALS Research	2020	2,148	\$44,226	\$20.59
Home Delivered Meals for Seniors	2020	3,633	\$61,795	\$17.01
Organ and Tissue Donation Outreach and Research (Life Pass It On)	2020	1,095	\$7,028	\$6.42
School-Based Health Centers	2020	1,626	\$21,876	\$13.45
Food Banks	2020	5,155	\$249,631	\$48.43
Arts Fund	2020	2,596	\$45,262	\$17.44
Leukemia, Lymphoma, and Myeloma	2021	2,864	\$81,772	\$28.55
NYS Campaign Finance	2021	17,932	\$788,248	\$43.96
William B. Hoyt Memorial Children and Family Trust Fund	2022	835	\$5,448	\$6.52
Firearm Violence Research	2022	2,287	\$31,444	\$13.75
Substance Use Disorder Education and Research	2022	2,372	\$48,646	\$20.51
Retired and Rescued Thoroughbred Race Horse Aftercare	2022	412	\$3,875	\$9.41
Retired and Rescued Standardbred Race Horse Aftercare	2022	402	\$3,224	\$8.02
State Library System	2022	681	\$7,874	\$11.56
Lyme and Tick-borne Diseases Education and Research	2022	650	\$8,308	\$12.78

Source: New York State Department of Taxation and Finance, Annual Statistical Report of New York State Tax Collections

Note: Contributions are made in whole dollars only. For the Olympic Fund and NYS Campaign Finance Fund, donations are statutorily set: \$2 per taxpayer (\$4 for married, joint filers) and \$40 per taxpayer (\$80 for married, joint), respectively.

Endnotes

- 1 New Hampshire imposes a tax on dividends and interest income only. Idaho and New Hampshire do not have personal income tax checkoffs.
- 2 NYS Department of Taxation and Finance (T&F), Annual Statistical Report of New York State Tax Collections, Statistical Summaries and Historical Tables, Fiscal Year 2022-23, August 2023.
- 3 In 1983, the first PIT checkoff, Return a Gift to Wildlife, went into effect. As of 2000, there were three checkoffs. Over the next decade, the number of checkoffs grew to seven. By 2022, there were 34, a nearly 400 percent increase.
- 4 This increase can partially be attributed to the creation of the NYS Campaign Finance Fund whose contributions are statutorily set at \$40 for individuals and \$80 for married couples.
- 5 For the purposes of this report, certain funds are excluded from the reporting of disbursements. The Conservation Fund (which receives contributions to the Return a Gift to Wildlife Fund), the CUNY Construction Fund (Gift to the City University of New York), the Council on the Arts (Gift to the Arts Fund), and the William B. Hoyt Memorial Fund are excluded due to the broader scope of receipts and disbursements to these funds. The World Trade Center 9/11 Memorial Fund, Retired and Rescued Thoroughbred Race Horse Aftercare, and Retired and Rescued Standardbred Race Horse Aftercare exist as sole custody accounts in the Department of Taxation and Finance, the New York State Thoroughbred Breeding and Development Fund Corporation, and the Agriculture and New York State Horse Breeding Development Fund and their receipts and disbursements are not included in the State's accounting system.
- 6 Funds with appropriation authority in SFY 2022-23 include those for: breast cancer research, food banks, volunteer firefighter and EMS recruitment, organ donation, prostate cancer research, mental illness anti-stigma, women's cancers education and prevention, Love Your Library, missing and exploited children, autism awareness, substance use disorders, veterans' remembrance, teen health education, the Olympic Training Center, and homeless veterans. While there were disbursements from the Alzheimer's Disease Assistance Fund in SFY 2022-23, there was no appropriation in the Budget.
- 7 See endnote 5.
- 8 Campaign Finance Reform Commission, Report to the Governor and the Legislature, December 1, 2019 at <https://campaignfinancereform.ny.gov/system/files/documents/2019/12/campaignfinancereformfinalreport.pdf>.
- 9 Subdivision 4 of Section 81 of the State Finance Law.
- 10 New York State Education Department, 2023 State Aid for Summer Reading Program Allocations for Public Library Systems at <https://www.nysl.nysed.gov/libdev/lylplate/23LYLAllocation.pdf>.
- 11 New York State Division of Homeland and Emergency Services, *Volunteer Firefighting and Volunteer Emergency Services Recruitment and Retention Fund: Executive Report*, February 1, 2023 at <https://www.dhSES.ny.gov/system/files/documents/2023/03/randgrantawards.pdf>.
- 12 New York State Office of Mental Health, *Anti-Stigma Report*, February 2023 at <https://omh.ny.gov/omhweb/statistics/anti-stigma-report-2023.pdf>.

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