



ARIZONA STATE SENATE
Forty-ninth Legislature, First Regular Session

PROGRAM PRESENTATION
Military Family Relief Fund

Background

The Military Family Relief Fund (Fund) provides financial assistance to families of military personnel who are injured or killed in the line of duty. The Fund was created in 2007 and is set to expire January 1, 2014. Families must demonstrate financial need to obtain qualified assistance, which includes:

- 1) A stipend for living expenses for up to six months after the cessation of military pay and death benefits for widows or widowers of military personnel killed in the line of duty. Living expenses include residential mortgage, rent, utilities and other basic living expenses.
- 2) A stipend for spouses and minor children of military personnel receiving treatment for injuries obtained in the line of duty to cover living expenses, including travel and housing, for up to six months near the military or veterans hospital or rehabilitation facility.

The Military Family Relief Advisory Committee (Committee) is comprised of 13 members: the Director, or the Director's designee, of the Department of Veterans' Services and 12 Governor-appointed members, including widows and widowers of military personnel, military retirees, veterans with a service-related disability and their family members and Arizona army and National Guard unit commanders. The Committee is responsible for:

- 1) Determining the appropriate usage of the monies in the Fund.
- 2) Creating and revising the financial assistance application process.
- 3) Reviewing and evaluating applications.
- 4) Making other recommendations, as necessary.

A tax credit was established for donations made to the Fund and is available for the tax years 2008-2012. Tax credits are only available for donations made to the Fund that do not exceed a combined total of \$1 million. Restrictions and eligibility for the tax credits are outlined by the Department of Revenue:

- 1) Credits are only available for individuals. Corporations are unable to claim a tax credit for a donation. Partnerships and S corporations may not pass through the credit to their respective partners or shareholders.
- 2) Taxpayers cannot claim both a tax credit and an itemized deduction for the donation.
- 3) The credit cannot be carried forward. The credit must be used on the tax return filed for the taxable year in which the donation was made.
- 4) The amount of the credit will be the lowest of the following:

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- a) The donation amount.
- b) \$200, for single taxpayers or heads of household.
- c) \$400, for married taxpayers filing a joint return. If married but filing separate returns, each party may claim only one-half of the credit that would have been allowed on a joint return.
- d) Any tax liability for the taxable year.

Fiscal Information

The FY 2007-2008 budget appropriated a one-time funding amount of \$100,000 for the Military Family Relief Fund. The FY 2008-2009 budget eliminates the one-time funding and provides no further funding for the Military Family Relief Fund.

Attachments

Department of Veterans' Services from the 2010 JLBC Baseline book.

Prepared by Senate Research

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