

**BLUE RIBBON TAX REFORM COMMISSION
REVENUE IMPACT TABLE
OPTIONS ADOPTED BY THE COMMISSION**

		FY 2005 Full-Year Impacts in Millions of Dollars						
		General Fund	Road Fund			Other State Funds	Local Revenue	Total Revenue
			1st Phase	2nd Phase	3rd Phase			
	STREAMLINED SALES TAX							
1	Participate in streamlined sales tax initiative	NI					NI	NI
	FAMILY							
	<i>Providing Additional Income Tax Relief to Families and Restoring Progressivity of the Income Tax</i>							
2	Increase LICTR using some of the FAIR concepts and provide an increase in personal exemption amounts for certain taxpayers; add food stamps to definition of modified gross income	(45.0)						(45.0)
3	Phase out capital gains deduction for high-income taxpayers	17.0						17.0
4	Provide capital gains deduction for sales of closely held businesses	(3.0)						(3.0)
5	Consolidate filing status to two categories - benefits heads of households who would be combined w/ married filing joint	(2.4)						(2.4)
	MEDICAL SERVICES							
	<i>Reducing, Eliminating or Compensating for the Gross Receipts Tax (GRT) on Health Care Practitioners</i>							
6	Deduction for all practitioners for reimbursements from commercial managed care and Medicare "C"--no hold harmless--add a sunset provision	(21.4)					(18.8)	(40.2)
	ECONOMIC DEVELOPMENT							
	<i>Gross Receipts Tax Pyramiding</i>							
7	Repeal the "next sale taxable" requirement of 7-9-48 except for sales to governments and nonprofits	(30.0)					(20.0)	(50.0)
	<i>Corporate Income Tax</i>							
8	Two-tier rate with a top rate of 6.4%	(18.0)						(18.0)
9	Require all corporations to file using the unitary method; use the current NM definition of unitary corporation and nexus (at 6.4%)*	16.0						16.0
	*Effective for 2005 tax year; revenue impact would not occur in FY 2005.							
10	Decouple from federal bonus expensing provisions (at 6.4%)*	6.0						6.0
	*Average revenue over 4 years.							

**BLUE RIBBON TAX REFORM COMMISSION
REVENUE IMPACT TABLE
OPTIONS ADOPTED BY THE COMMISSION**

		FY 2005 Full-Year Impacts in Millions of Dollars						
		General Fund	Road Fund			Other State Funds	Local Revenue	Total Revenue
			1st Phase	2nd Phase	3rd Phase			
	<i>Economic Development Incentives</i>							
11	Require a study of all economic development incentives	NI					NI	NI
12	Provide a high-wage jobs tax credit	(1.5)						(1.5)
13	Provide a "tax holiday" for small, high-tech research businesses	(1.0)						(1.0)
14	One-time motor vehicle excise tax exemption for purchase of clean, fuel-efficient vehicles	(0.5)						(0.5)
	<i>Franchise Tax</i>							
15	Increase the franchise tax from \$50 to \$100	2.5						2.5
16	Impose franchise tax on limited liability companies and other flow-through entities at \$100	2.4						2.4
17	Increase annual filing fee for for-profits and nonprofits to \$100	3.0						3.0
	<i>Administrative Reforms</i>							
18	Implement an independent hearing process	NI					NI	NI
19	Raise the minimum amount of tax for which an assessment may be issued from \$10 to \$25	NI					NI	NI
20	Taxpayer election to use rules of civil procedure	NI					NI	NI
21	Provide for protective claims	NI					NI	NI
22	Modify interest paid on deficiencies and overpayments	(4.0)						(4.0)
23	Raise the minimum penalty for failing to file from \$5 to \$25	0.5						0.5
24	Allow taxpayers to request regulations	NI					NI	NI
25	Eliminate nontaxable transaction certificate (NTTC) conversion deadline	NI					NI	NI
26	Eliminate 60-day limit on NTTCs	NI					NI	NI
	EQUITY							
	<i>Gross Receipts Tax & Compensating Tax Issues</i>							

**BLUE RIBBON TAX REFORM COMMISSION
REVENUE IMPACT TABLE
OPTIONS ADOPTED BY THE COMMISSION**

		FY 2005 Full-Year Impacts in Millions of Dollars						
		General Fund	Road Fund			Other State Funds	Local Revenue	Total Revenue
			1st Phase	2nd Phase	3rd Phase			
27	Reporting requirement for certain nonprofits - convert the exemption for 501(c)(3) and (c)(6) organizations with receipts in excess of \$250,000 (adjusted for inflation annually) to a deduction, excluding churches	NI					NI	NI
28	Expand 7-9-73.1 deduction for for-profit hospitals from 50% to 100%	(7.0)					(5.0)	(12.0)
29	Tax employee leasing like temporary services	5.0					4.0	9.0
30	Tax bail bondsmen under GRT rather than insurance premiums tax	0.2					0.1	0.3
31	Repeal 7-9-54.1, deduction for R&D sales to one, specific aerospace corporation that did not locate in New Mexico	NI					NI	NI
32	Convert 7-9-55 to a "delivery rule"	(0.1)						(0.1)
33	Put agricultural implements, aircraft and vehicles not required to be registered under the Motor Vehicle Code under the motor vehicle excise tax (4% rate with .5% to road fund)	5.1		1.5			(4.0)	2.6
34	Repeal deduction for newspapers	1.2					0.8	2.0
35	Eliminate deduction in 7-9-65 for sales of chemicals and reagents in excess of 18 tons sold to unspecified entities	0.3					0.2	0.5
36	Repeal 7-9-70 deduction for leasing vehicles used in interstate commerce	0.1						0.1
37	Remove the \$5,000 limit in 7-9-74 for property used in the manufacture of jewelry	(0.1)						(0.1)
38	Apply GRT to rental of storage units	0.8					0.5	1.3
39	Reduce municipal GRT credit (reflects .125% reduction); increase municipal distribution to 1.25%	29.0					7.3	36.3
40	Impose local option compensating taxes	(3.8)					14.1	10.3
41	Apply compensating tax to all imported services	14.5					3.6	18.1
42	Impose compensating tax on certain on-reservation purchases	NA						NA
43	Expand governmental gross receipts tax (GGRT) base to include receipts from parking, airport fees, marina fees, etc.					5.0		5.0

**BLUE RIBBON TAX REFORM COMMISSION
REVENUE IMPACT TABLE
OPTIONS ADOPTED BY THE COMMISSION**

		FY 2005 Full-Year Impacts in Millions of Dollars						
		General Fund	Road Fund			Other State Funds	Local Revenue	Total Revenue
			1st Phase	2nd Phase	3rd Phase			
44	Raise the interstate telecommunications gross receipts tax (ITGRT) to 5%	1.5						1.5
	<i>Leased Vehicle GRT and Surcharge</i>							
45	Increase surcharge by \$2 per day to \$4	6.6						6.6
	PROPERTY TAX							
46	Study Property Tax Code administrative provisions and other issues, including ad valorem taxes on state land	NI						NI
47	Enact property transfer tax on residential re-sales with graduated rates of 1% to 2% on amounts over \$100,000	12.0					8.0	20.0
	SELECTIVE EXCISE TAXES							
	<i>Motor Vehicle Excise Tax</i>							
48	Raise rate to 4.5%, phased in over 2 years, with .5% to road fund	41.3		20.7				62.0
49	Establish default value for sales of used vehicles (at 4.5% with .5% to road fund)	1.0		0.1				1.1
	<i>Cigarette Tax</i>							
50	Capture tax on sales of tobacco to non-Indians on tribal land following government-to-government negotiations	3.2				1.1	0.2	4.5
51	Combine distributions to local governments						0.0	0.0
52	Eliminate discount for stamping	1.0				0.3	0.1	1.4

**BLUE RIBBON TAX REFORM COMMISSION
REVENUE IMPACT TABLE
OPTIONS ADOPTED BY THE COMMISSION**

		FY 2005 Full-Year Impacts in Millions of Dollars						
		General Fund	Road Fund			Other State Funds	Local Revenue	Total Revenue
			1st Phase	2nd Phase	3rd Phase			
	<i>Tobacco Products Tax</i>							
53	Raise rate from 25% to 45%	3.0						3.0
	<i>Insurance Premiums Tax</i>							
54	Subject third-party administrators to GRT	+ ND					+ ND	+ ND
55	Implement a pilot project to enhance Insurance Division funding	NA						NA
	<i>Pari-mutuel Tax</i>							
56	Eliminate economic development credit; earmark 50% of receipts to State Fair for capital improvements, except for casino & racetrack	0.9				0.9		1.8
57	Expand track hours	4.2						4.2
	<i>Boxing and Wrestling Taxes</i>							
58	Change to fee and authorize agreements with tribal govts.	NA						NA
59	Exempt receipts from GRT	(0.7)					(0.5)	(1.2)
	<i>Oil & Gas Emergency School Tax</i>							
60	Increase tax rate on oil to 4% from 3.15%	11.0						11.0
	<i>Other Taxes</i>							
61	Enact 33% tax on collected punitive damages, after attorney fees and expenses, w/ receipts earmarked into a public trust fund					+ ND		+ ND
	TRANSPORTATION FUNDING							
	<i>Gasoline Tax</i>							
62	Increase by 2 cents immediately		16.8					16.8
63	Index tax; impose a 1-cent-per-year limit				8.4			8.4

**BLUE RIBBON TAX REFORM COMMISSION
REVENUE IMPACT TABLE
OPTIONS ADOPTED BY THE COMMISSION**

		FY 2005 Full-Year Impacts in Millions of Dollars						
		General Fund	Road Fund			Other State Funds	Local Revenue	Total Revenue
			1st Phase	2nd Phase	3rd Phase			
	<i>Special Fuels Tax</i>							
64	Increase by 3 cents immediately		13.2					13.2
65	Index tax rate; impose a 1-cent-per-year limit				4.4			4.4
	<i>Weight-Distance Tax</i>							
66	Improve cab-card system and charge an administration fee		+ ND			+ ND		+ ND
67	Increase rate by 26.26%		13.8					13.8
	<i>Oversize/Overweight Permits</i>							
68	Increase fixed fees to equal liquid hauler fee		1.3					1.3
69	Impose additional ton-mile fee for overweight		2.0					2.0
	<i>Vehicle Registration Fees</i>							
70	Increase by an average of \$12.50 per year		14.2				7.2	21.4
	COUNTY LOCAL OPTION TAX REORGANIZATION							
71	Consolidate various options and authorize new authority						up to 90.0*	up to 90.0*
							*depends on local decisions	
	Total, General Package (Excluding Road Fund)	50.8				7.3	(2.2)	55.9
	Total, Transportation Package (Road Fund)		61.3	22.3	12.8			96.4

NOTES:

NA: Not enough information on the proposal to enable a fiscal estimate.

ND: Data are not available to permit evaluation.

NI: No fiscal impact.

Revenue amounts provided by the Taxation and Revenue Department and the Department of Transportation. Amounts could change based on specific language in proposed legislation and effective dates.