

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/02/07
 LAST UPDATED 3/10/07 HB 667/aSCORC

SPONSOR Gonzales

SHORT TITLE Disclosure of Tax Information SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)
 Office of the Attorney General (OAG)

SUMMARY

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee (SCORC) amendment is technical in nature. The amendment strikes the proposed Subsection NN and inserts its provisions in the existing Subsection C.

Synopsis of Bill

House Bill 667 amends the Tax Administration Act to include the following tax credits: Film Production Tax Credit, New Mexico Filmmaker Tax Credit, Affordable Housing Tax Credit, High-Wage Jobs Tax Credit and the Research and Development Small Business Tax Credit. In addition, the bill makes changes to the confidentiality provisions, as follows:

1. The Taxation and Revenue Department (TRD) would be authorized to share information with the Federation of Tax Administrators (“FTA”) and similar organizations for use in collecting information related to tax scams.
2. Upon request for inspection by the public, the TRD would furnish the taxpayer name, refund or credit amount, tax program or business tax credit and the date the refund or

credit was issued, provided that release of the information does not violate information sharing agreement that state may have with the U.S. Internal Revenue Service.

3. A provision would be reinstated in the section that was passed by the 2005 Legislature and signed but was “stepped on” by a subsequently signed bill. The provision (Subsection O) authorizes TRD to provide information to the General Services Department for the purpose of producing jury lists.

FISCAL IMPLICATIONS

None identified.

SIGNIFICANT ISSUES

According to TRD, the information sharing provisions will enable the department to participate with national organizations in prosecuting tax avoidance schemes. The application of the Tax Administration Act to various business tax credits will enable taxpayers utilizing those credits to be protected by the taxpayer bill of rights, and will apply the same rules and regulations that apply to most of the tax programs administered by the Department. The provisions can be administered with the Department’s current resources.

During the 2006 interim, questions were raised about the confidentiality of the 25 percent tax refund provided to film production companies. TRD and the Governor’s office made a determination that the amount of tax refunds to film production companies is protected by the confidentiality statute. The department had previously made that information public upon request. The data is now provided in aggregate to protect film production companies, and this bill explicitly makes the film production tax and others subject to the confidentiality statute, as well as other provisions of the Taxpayer Bill of Rights.

BE/mt