

LFC Requester:

Brendon Gray

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: Jan. 30, 2025

Check all that apply:

Bill Number: HB 184

Original Correction
Amendment Substitute

Sponsor: Rep. Roybal Caballero

Agency Name and Code Number: 305 – New Mexico Department of Justice

Person Writing

Short Title: TAXPAYER INCOME DISTRIBUTIONS

Analysis: Tessa Ryan

Phone: 505-537-7676

Email: legisfir@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis:

Section 1 proposes to require the Department of Finance and Administration (DFA) to make annual distributions from the general fund to residents of the state who file personal income tax returns or requests for extensions to file income tax returns. The distributions would be \$1,000 per individual filer, or \$2,000 for married individuals filing joint returns.

Section 2 proposes to amend Section 7-1-8.8 to allow the Taxation and Revenue Department to reveal confidential tax-return information to the DFA, presumably to enable the DFA to make the distributions that would be required by Section 1 of the act.

Section 2 also proposes to strike “department” after “health care authority” in two instances. Presumably these are technical revisions to conform the existing references to the Health Care Authority’s statutory name (which does not include “Department”). *See* NMSA 1978, § 9-8-4 (2024).

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

The definition of “resident” in Subsection B of Section 1 might create confusion regarding who is eligible for the distribution.

- The definition refers broadly to “a calendar year”—not any particular calendar year. Read literally, a person who has ever “domiciled in this state” (or been “physically present in this state” for at least half of a calendar year) would be deemed a resident for purposes of the measure. Presumably, however, what was intended was that these conditions be met in the calendar year immediately prior to the distribution.
- The second part of the definition (beginning with “but any individual”) suggests that a given person might meet the definition of resident for only certain periods of the calendar year. It is unclear whether such a person would or would not qualify for the distribution.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relationship to HB 45, HB 137, and SB 129, which also propose amendments to Section 7-1-8.8.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

The reference to April 15 in Section 1 suggests that the bill's intent is for the distributions to be made on or before the annual tax-filing deadline. That deadline, however, is subject to change, depending on the day April 15 falls on in a given year.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS