

LFC Requester:	Jennifer Faubion
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 2/21/25 *Check all that apply:*
Bill Number: HB 545 Original Correction
 Amendment Substitute

Sponsor: Reps. Montoya and Henry **Agency Name and Code:** 430 – Public Regulation Commission
Short Title: Gas & Electric Bill Income Tax Credit **Number:** _____
Person Writing: Scott Cameron **Phone:** (505)490-2696 **Email:** jerri.mares@prc.nm.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	\$0.0	\$1,125.3	\$1,192.8	\$2,318.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 545 would add a new section to the Income Tax Act to provide for a credit for taxpayers who are also electric or gas utility customers for 50% of their taxable year bills. The Bill would require the Public Regulation Commission (“the PRC”) to provide forms and a means for applying for the credit, determine eligibility, and if eligible for the credit, provide certificates of eligibility to the taxpayer and the Taxation and revenue Department (“TRD”).

FISCAL IMPLICATIONS

HB 545 would have a significant financial impact on the PRC for the creation of a new division, creation of implementing rules, workflow systems and resources and for taxpayer outreach. The following additional resources would be needed for the new division: One (1) Director position (\$167,000), eight (8) Analyst positions (\$109,000 each or \$872,000), one (1) Administrative Support position (\$86,300). For a total of annual cost to PRC of \$1,125,300 in FY26 and \$1,192,800 in FY27.

SIGNIFICANT ISSUES

Section 1(C) of the Bill would require the PRC to process and certify taxpayer tax credit eligibility applications. However, the PRC does not have access to taxpayer and utility customer information which it would need to make an accurate determination of eligibility. The Commission would have to verify utility customer status with the utilities, and taxpayer eligibility with TRD.

PERFORMANCE IMPLICATIONS

Section 1(C) would require the PRC to create rules to develop the forms and the application procedure.

ADMINISTRATIVE IMPLICATIONS

Section 1(A) of the Bill applies to “a resident, who is not a dependent of another individual and who is billed by a public utility or rural electric cooperative for natural gas or electric services”, which could result in hundreds of thousands of applications. This would be a large administrative burden on the PRC and may require the creation of an entirely new division within the agency solely to process these applications.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

N/A