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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
57th Legislature, 1st Session, 2025

Bill Number	<u>SB76</u>	Sponsor	<u>Pope</u>
Tracking Number	<u>.229432.1</u>	Committee Referrals	<u>STBTC/SFC</u>
Short Title	<u>Change Back-to-School GRT Weekend</u>		
Analyst	<u>Estupiñan</u>	Original Date	<u>1/27/2025</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 76 (SB76) would revise the calendar date that school supplies, equipment, and clothing are exempt from the gross receipts tax and increase the maximum sales price of eligible products.

The bill does not contain an effective date and would therefore become effective 90 days after the Legislature adjourns (June 20, 2025).

FISCAL IMPACT

The bill does not contain an appropriation.

The Taxation and Revenue Department (TRD) estimates a FY26 fiscal impact of \$720 thousand on the general fund and \$480 thousand for local governments.

SUBSTANTIVE ISSUES

Current Statute and Proposed Revisions. [Section 7-9-95 NMSA 1978](#) designates the first Friday in August as the calendar date for receiving the back-to-school gross receipts tax (GRT) deduction. SB76 would amend the date for receiving the back-to-school GRT deduction to the first Friday in July. State statute contains language specifying the type and maximum sales price of tangible property that may be eligible for the GRT deduction, including:

1. An article of clothing or footwear designed to be worn on or about the human body if the sales price of the article is less than \$100;
2. A desktop, laptop or notebook computer if the sales price of the computer does not exceed \$1,000 and any associated monitor, speaker or set of speakers, printer, keyboard, microphone or mouse if the sales price of the device does not exceed \$500; and
3. School supplies that are items normally used by students in a standard classroom for educational purposes, including notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, maps and globes, but not

including watches, radios, compact disc players, headphones, sporting equipment, portable or desktop telephones, copiers, office equipment, furniture or fixtures.

SB76 would increase each of the sales price thresholds by 50 percent, to \$150 for clothing and footwear, \$1,500 for computers, and \$750 for computer equipment.

TRD notes the bill would more closely align the tax holiday to the start of school calendars and would be the first revision to the statutory price caps since the statute's enactment in 2005.

SOURCES OF INFORMATION

- LESC Files
- Taxation and Revenue Department (TRD)

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