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FISCAL IMPACT REPORT

SPONSOR:	Silva	DATE TYPED:	02/05/00	HB	405
SHORT TITLE:	Jet Fuel Gross Receipts Tax Deduction			SB	
				ANALYST:	Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	negative*			General Fund
	negative*			Aviation Fund

(Parenthesis () Indicate Revenue Decreases)

** Analysis was not received from Taxation and Revenue Department in time for this report.*

SOURCES OF INFORMATION

Legislative Finance Committee (LFC)

SUMMARY

Synopsis of Bill

This bill gives 100% deduction of gross receipts and compensating tax on the sale of fuel specially prepared and sold for use in turboprop or jet-type engines as determined by the Taxation and Revenue Department (TRD). This bill would impact two funds, the general fund and the state aviation fund.

The state aviation fund currently receives revenue from: un-refunded taxes collected on the sale of motor fuel for aircraft (64-1-15); 3.59% of taxes collected from the sale of fuel specially prepared and sold for use in turboprop or jet-type engines (7-1-6.7(A)); and 0.26% of gasoline taxes collected net of penalties and interest (7-1.6.7(B)). Monies in the state aviation fund are used for planning, construction and maintenance of airports, navigation aids and related facilities serving New Mexico. This bill would decrease revenues used for this purpose.

FISCAL IMPLICATIONS

Unknown. At the time of this analysis, the Legislative Finance Committee had yet to receive analysis from the Taxation and Revenue Department.

JBE/gm