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F I S C A L   I M P A C T   R E P O R T

SPONSOR:	Rodella	DATE TYPED:	01/27/00	HB	HJR 6
SHORT TITLE:	Phase In Property Tax Exemption for Vets, CA			SB	
				ANALYST:	Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		No Fiscal Impact		

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Endorsed by the Revenue Stabilization and Tax Policy Committee. The bill proposes a change to the New Mexico Constitution at the next general election. If approved, the legislature would then pass legislation to increase the current veterans property tax exemption of $2,000. The exemption would be raised by $2,000 each year until it reaches $12,000.

This measure would appear on the ballot at the November 2000 election. The appropriate statutory changes would need to be passed by the Legislature in 2001, with the incremental increase first occurring in November 2001.

FISCAL IMPLICATIONS

TRD estimates there would be no fiscal impact to the state or local governments. The increase in the tax reduction would be from $50 to $300 by 2005 for approximately 81,500 veterans. The approximately $24,500.0 in total tax relief would be picked up by an increase in rates on other taxpayers of approximately 3.1%. However, about half of the counties have no remaining rate authority, resulting in potential revenue loss to those counties.

Attached TRD fiscal analysis illustrates impacts by county.

AW/gm

Attachment