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

SPONSOR:	Maes	DATE TYPED:	01/24/00	HB	
SHORT TITLE:	Net Capital Gain Income Tax Deduction			SB	23
			ANALYST:	Williams	

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring	Fund
FY00	FY01	FY00	FY01	or Non-Rec	Affected

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent	Recurring	Fund
FY00	FY01	Years Impact	or Non-Rec	Affected
	$ (29,700.0)	$ (76,100.0)	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to SB153

SOURCES OF INFORMATION

Taxation and Revenue Department

SUMMARY

Synopsis of Bill

Expands the net capital gain deduction for state income tax to the greater of: 1) $1,000 or one-third of net capital gain income for tax year 2000; 2) $1,000 or two-thirds of net capital gain income for tax year 2001 and 3) $1,000 or all of the net capital gain income for tax year 2002 and beyond. Husbands and wives filing separate returns and who could have filed a joint return would each be allowed to deduct one-half of the capital gains deduction.

FISCAL IMPLICATIONS

Recurring revenue loss to General Fund estimated at $29,700 thousand in FY01 and $76,100 thousand in

FY02. Losses grow to approximately $142,000 thousand in FY04.

Attached TRD fiscal impact report outlines capital gains realizations by income class for New Mexico taxpayers in tax year 1997.

ADMINISTRATIVE IMPLICATIONS

TRD notes existing resources could be used to implement the program.

AW/njw