

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	Maloo	DATE TYPED:	02/08/00	HB	
SHORT TITLE:	One Time Low Income Tax Rebate			SB	407
				ANALYST:	Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
\$ 100.0				Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent	Recurring	Fund
FY00	FY01	Years Impact	or Non-Rec	Affected
	\$ (41,000.0)	\$ (41,800.0)	Non-recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

The bill authorizes a one-time tax rebate for resident taxpayers who are not dependents of another taxpayer and filed a New Mexico income tax return in 1999. The rebate is for a portion of gross receipts taxes paid during the taxable year. The rebate would range from \$0 to \$50 per exemption, depending on filing status and adjusted gross income. Inmates of public institutions for more than 6 months during the tax year would not be eligible. These provisions relating to the credit would be repealed January 1, 2002.

The bill appropriates \$100.0 to TRD from the general fund for expenditure in FY00 and FY01 to carry out the provisions of the bill. The bill contains a reversion clause. The bill also contains an emergency clause.

Significant Issues

Counties and municipalities receive about 38 percent of the gross receipts tax generated within their boundaries, but this bill would hold them harmless.

FISCAL IMPLICATIONS

TRD estimates a non-recurring General Fund revenue loss of \$41,000.0 in FY01 and \$41,800.0 for a full year.

DISTRIBUTIONAL ISSUES

The bill would apply to low and moderate income households and about 57% of New Mexico's population would receive a rebate for tax year 1999. The breakout of the credit recipients is:

Maximum Rebate of \$50	72% of recipients
\$35 Rebate	11%
\$25 Rebate	9%
\$15 Rebate	8%

TRD estimates over 550,000 households would receive a rebate averaging \$85.

The attached chart in the TRD FIR reflects the amount of the rebate by filing status and household incomes.

AW/jsp

Attachment