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FISCAL IMPACT REPORT

SPONSOR:	Jennings	DATE TYPED:	02/11/00	HB	
SHORT TITLE:	One Time Income Tax Credit			SB	444
				ANALYST:	Williams

REVENUE

Estimated Revenue		Subsequent	Recurring	Fund
FY00	FY01	Years Impact	or Non-Rec	Affected
	\$ (215,000.0)	\$ (226,000.0)	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 would authorize a one-time tax credit to all taxpayers in New Mexico from savings realized by the Johnson Administration. The bill presents three areas where savings were projected:

- \$40,000.0 by housing inmates in private prisons
- \$100,000 on medicaid for first year of managed care
- \$89,000 on highway warranty for State Highway 44

Total of these savings components is \$229,000.0.

FISCAL IMPLICATIONS

TRD reflects recurring general fund revenue loss of \$215,00.0 in FY 01 and \$226,000.0 for a full year. The Department notes this is equal to decreasing all income tax rates by 25 percent.

OTHER SUBSTANTIVE ISSUES

TRD notes the amount of the tax credit is not a function of actual savings realized.

TRD assumes the credit is non-refundable, i.e. only available to New Mexicans with positive income tax liability. Individuals with zero or negative income tax liability would not be eligible for the credit.

Non-residents with positive tax liabilities would be eligible for the credit.

AW/gm