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FISCAL IMPACT REPORT

SPONSOR: Gubbels DATE TYPED: 02/26/01 HB 220
SHORT TITLE: Space Activity Gross Receipts SB _____
ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (66.0)	(see narrative)	Recurring	General Fund
	\$ (34.0)	(see narrative)	Recurring	Local Govt.

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

For a five-year trial period, the bill expands the limited spaceport gross receipts tax deduction to include ground control of satellites. A temporary compensating tax deduction is also proposed as a companion. A delayed repeal of the spaceport deduction was scheduled to take effect July 1, 2001. This bill repeals the delayed repeal.

FISCAL IMPLICATIONS

Taxation and Revenue Department (TRD) analysts were unable to unambiguously determine if there have been any gross receipts paid on ground control of satellites by a facility in New Mexico. Aerospace Corporation, on their Internet website, state they have a unit of 100 employees at Kirtland/Sandia steering and placing military satellites. In any event, the current gross receipts tax payments from receipts for ground control of military or civilian satellites may be up to \$100.0.

ADMINISTRATIVE IMPLICATIONS

Minimal.

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