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FISCAL IMPACT REPORT

SPONSOR: Varela DATE TYPED: 02/07/01 HB 424
 SHORT TITLE: One Time Income Tax Credit SB _____
 ANALYST: Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
		See Narrative		

(Parenthesis () Indicate Revenue Decreases)

Relates to HB97, HB123, HB235, HB382, SB43, SB108, SB124, SB213, SB236, SB343 and SB365

SOURCES OF INFORMATION

LFC Files
 Taxation and Revenue Department analysis not submitted

SUMMARY

Synopsis of Bill

The bill authorizes a one-time tax credit beginning in tax year 2001 for five percent of the state income tax liability for a New Mexico resident. Dependents would not be eligible for the credit. The bill contains a delayed repeal effective January 1, 2005 to allow for extended filers and filed tax returns which may later be amended.

FISCAL IMPLICATIONS

The bill would result in a non-recurring revenue loss for the general fund from \$45,000.0 to \$50,000.0 in FY02.

State personal income tax liability for tax year 2001, which impacts FY02 receipts, is projected at \$1.014 billion for all taxpayers. Applying five percent to this amount would be \$50,700.0. The actual fiscal impact would be somewhat less than this amount, because this legislation would not apply to out-of-state residents who have New Mexico income tax liability. TRD has not submitted a bill analysis for this bill; upon its receipt, this analysis will be updated.

AW/ar