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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 01/23/01 HB 97

SHORT TITLE: Change Low Income Comprehensive Tax Rebate SB _____

ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act _____

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
\$ (28,000.0)	\$ (29,500.0)		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to _____

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department

SUMMARY

Synopsis of Bill

The bill would authorize changes and expansion of the low income comprehensive tax rebate. Each filing category could claim one exemption and an additional exemption for each qualifying family member meeting criteria including age 65 and over, blind or children. In contrast, under current law, the exemptions: 1) match the federal exemptions, 2) two can be claimed for qualifying seniors and 3) one can be claimed for the qualifying blind.

The maximum amount of modified gross income for which filers are eligible would remain at \$22,000; however, the income categories are collapsed from current law. If claiming the maximum number of exemptions, the amount of the credit increases across the board in this bill. If claiming the maximum number of exemptions, the largest credit amount would increase from \$450 with modified gross income of \$1,500 to \$5,000 in current law to a credit amount of \$1,080 for filers with modified gross income from \$6,000 to \$8,000. The proposed changes in the credit amount for filers claiming fewer qualifying exemptions are significantly less. In a few cases, there are reductions.

The bill applies to tax years beginning 2001.

Significant Issues

Targeted beneficiaries include the elderly, grandparents raising grandchildren, families with children and the working poor. Average changes in LICTR amounts by beneficiary are shown by TRD.

FISCAL IMPLICATIONS

According to TRD, the recurring revenue loss is estimated at \$28,000.0 thousand for General Fund beginning in FY01, with a full year impact of \$29,500.0 thousand.

ADMINISTRATIVE IMPLICATIONS

Anticipated by TRD to be minimal.

OTHER SUBSTANTIVE ISSUES

TRD notes there is more uncertainty than usual in calculating the impacts of this proposal.

AW/njw