

**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: Wilson DATE TYPED: 03/14/01 HB \_\_\_\_\_  
 SHORT TITLE: Income Tax Credit and Rebate Forms SB SJM73  
 ANALYST: Hayes

### APPROPRIATION

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

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

This memorial requests the Secretary of Taxation and Revenue Department to distribute information about the federal earned income tax credit programs (EIC) and appropriate worksheets so that those eligible will file income tax returns to receive such credit.

#### Significant Issues

The bill asks the TRD secretary to place "...clear, step-by-step information about applying for the federal earned income tax credit into mailings of state income tax returns or in materials provided to people requesting state low-income comprehensive tax rebate forms..." so families eligible for the state low-income comprehensive tax rebate and federal earned income tax credit will file for both programs, and families eligible for the federal credit but not the state rebate will be encouraged to apply for the federal earned income tax credit.

The intent of this action is to maximize the use of the federal earned income credit and the state's low-income comprehensive tax rebate by low-income families in New Mexico and to encourage them to file federal and state tax returns in order to receive the tax credit or rebate.

### FISCAL IMPLICATIONS

If TRD is required to provide this service, the department believes that a modest cost (under \$100,000) would be incurred from printing information pertaining to the federal credits and including it with state tax forms. Since the forms and information are currently available from the federal government, they would not need to be developed or modified by the department.

**POSSIBLE QUESTIONS**

1. Since the federal government already provides this information, why would the state incur additional costs to duplicate the information?

CMH/njw