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FISCAL IMPACT REPORT



SPONSOR: Gubbels DATE TYPED: 01/24/02 HB 152

SHORT TITLE: Amend Gross Receipts & Compensating Tax Act SB _____

ANALYST: Gilbert

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$0.1 *Insignificant		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 152 amends Section 7-9-3 NMSA 1978 (Gross Receipts and Compensating Tax Act) by including an additional exception to the definition of “engaging in business.” The new exception states that engaging in business does not include using a nonaffiliated third-party call center to provide services primarily to non-New Mexico customers.

Significant Issues

This bill implements a technical change to the Gross Receipts and Compensating Tax Act, which clarifies that call centers engaged in providing services (e.g., computer technical support) primarily to non-New Mexico customers are excluded from the taxation provisions of this act.

FISCAL IMPLICATIONS

*The Taxation and Revenue Department states that the call center exception implemented by this bill would result in a minimal fiscal impact.

LW/ar