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FISCAL IMPACT REPORT



SPONSOR: Varela DATE TYPED: 02/08/02 HB 410

SHORT TITLE: Gross Receipts Tax Rebate on Food SB _____

ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	(\$14,000.0)		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB 148

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 410 would mandate personal income tax rebates for taxes paid on food purchases. The rebates would range from \$15 to \$45 per exemption, and vary with income. The rebates would be refundable and limited to people who were New Mexico residents for at least six months during the year. Rebates would be based on the number of exemptions claimed for federal tax purposes and filing status. The change would be effective for tax years beginning on or after January 1, 2002. TRD has provided the following table.

Head of Household, Married Filing Joint and Single Taxpayers				Married Filing Separate Returns			
Modified Gross Income			Rebate Per Exemption	Modified Gross Income			Rebate Per Exemption
\$0	or	Less	\$45	\$0	or	less	\$45
\$0	to	\$12,000	\$45	\$0	to	\$6,000	\$45
\$12,000	to	\$16,000	\$30	\$6,000	to	\$8,000	\$30
\$16,000	to	\$22,000	\$15	\$8,000	to	\$11,000	\$15
\$22,000	or	Over	\$0	\$11,000	or	over	\$0

FISCAL IMPLICATIONS

TRD has assumed that rebates will be provided to single taxpayers, although the bill as currently drafted does not include singles. Rebate rates for singles are assumed to be the same as for taxpayers filing joint returns. Credits per exemption average about \$31, based on approximately 450,000 exemptions.

TECHNICAL ISSUES

As written, the measure would not provide credits for individuals filing as single taxpayers.

SS/ar