FISCAL IMPACT REPORT

SPONSOR: Hurt   DATE TYPED: 1/27/02   HB _____

SHORT TITLE: Bailing Wire Gross Receipts Tax Deduction   SB 23/aSCONC

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	**FY03**			
	($0.1)		Recurring	General Fund
	($0.1)		Recurring	Local Governments

(Parenthesis ( ) Indicate Revenue Decreases)

SOURCES OF INFORMATION

TRD

SUMMARY

Synopsis of SCONC Amendment

The Senate Conservation Committee adds language to include twine used to contain feed in the deduction from gross receipts tax.

Synopsis of Original Bill.

This bill amends Section 7-9-58 NMSA 1978 to extend the gross receipts tax deduction for sales of feed to farmers and ranchers to include the baling wire used to contain the feed.

FISCAL IMPLICATIONS

Minimal

TECHNICAL ISSUES

TRD makes the following comments:

Livestock feed (hay or alfalfa) can be baled with twine or wire. The Department recommends adding "or twine" after "wire" on page 1, line 19.

The changes proposed in this bill can effectively be accomplished through Department regulation.

Currently, Section 7-9-47 NMSA 1978 allows a deduction for sales of baling wire to farmers who bale hay for resale. This is considered a valid chain-of-commerce deduction since the baling wire is resold by the farmer in combination with other tangible personal property.

SN/njw