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FISCAL IMPACT REPORT

SPONSOR Silva DATE TYPED 2-12-04 HB 448
SHORT TITLE Professional Contest Gross Receipts SB _____
ANALYST Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	(1,500.0)	(1,500.0)	Recurring	General Fund
	(1,000.0)	(1,000.0)	Recurring	Local Government

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 448 amends statute to allow a gross receipts exemption for one-time professional sporting events or automobile racing. Also exempted from the GRT are receipts from ticket sales and admission fees for professional boxing, wrestling, martial arts contests, automobile races and other one-time athletic events. This proposal also exempts receipts from ticket sales or admission fees for live concerts held at venues capable of accommodating at least 2,500 persons.

Significant Issues

TRD notes:

- This proposal may “level the playing field” with some athletic events and concerts held on pueblo/tribal lands.
- Receipts from the privilege tax of 4% of gross receipts from professional athletic competitions is appropriated to the New Mexico Athletic Commission, and is used by that commission in regulating and licensing the industry. Thus, the 4% privilege tax may be considered a cost of doing business as a promoter, not a general tax. The gross receipts tax, simultaneously imposed on professional athletic competitions is the contribution of the activity to the general support of government services,

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including public schools, higher education, courts and corrections, among other state and local government services.

FISCAL IMPLICATIONS

In determining the fiscal impact TRD assumed \$40 million of receipts from athletic events and concerts will qualify for the proposed GRT exemption.

SN/yr :lg