

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Griego DATE TYPED 02/05/2004 HB _____

SHORT TITLE Gas Tax Proceed Distributions SB 114/a SFC

ANALYST Valenzuela

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$220.0	\$220.0	Recurring	General Fund
	(\$120.0)	(\$120.0)	Recurring	Municipalities
	\$2,040.0	\$2,040.0	Recurring	Tribal
	\$1,450.0	\$1,450.0	Recurring	State Road Fund
	\$1,117.0	\$1,117.0	Recurring	County and Municipal Road
	\$73.0	\$73.0	Recurring	Municipal Arterial
	\$13.0	\$13.0	Recurring	Aviation
	\$7.0	\$7.0	Recurring	Motorboat Fuel
	\$150.0	\$150.0	Recurring	Local Government Road Fund
	\$412.0	\$412.0	Recurring	Corrective Action Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Response Received From

New Mexico Department of Transportation (NMDOT)
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of SFC amendment

The Senate Finance Committee Amendment directs approximately \$400 thousand to the general fund from balances remaining from gasoline tax revenue on 30 million gallons sold by a qualified Native American distributor that have entered into gasoline tax sharing agreements with NMDOT and TRD. Distribution to the Native American distributors remain unchanged, and the

state road fund is reduced by approximately \$400 thousand.

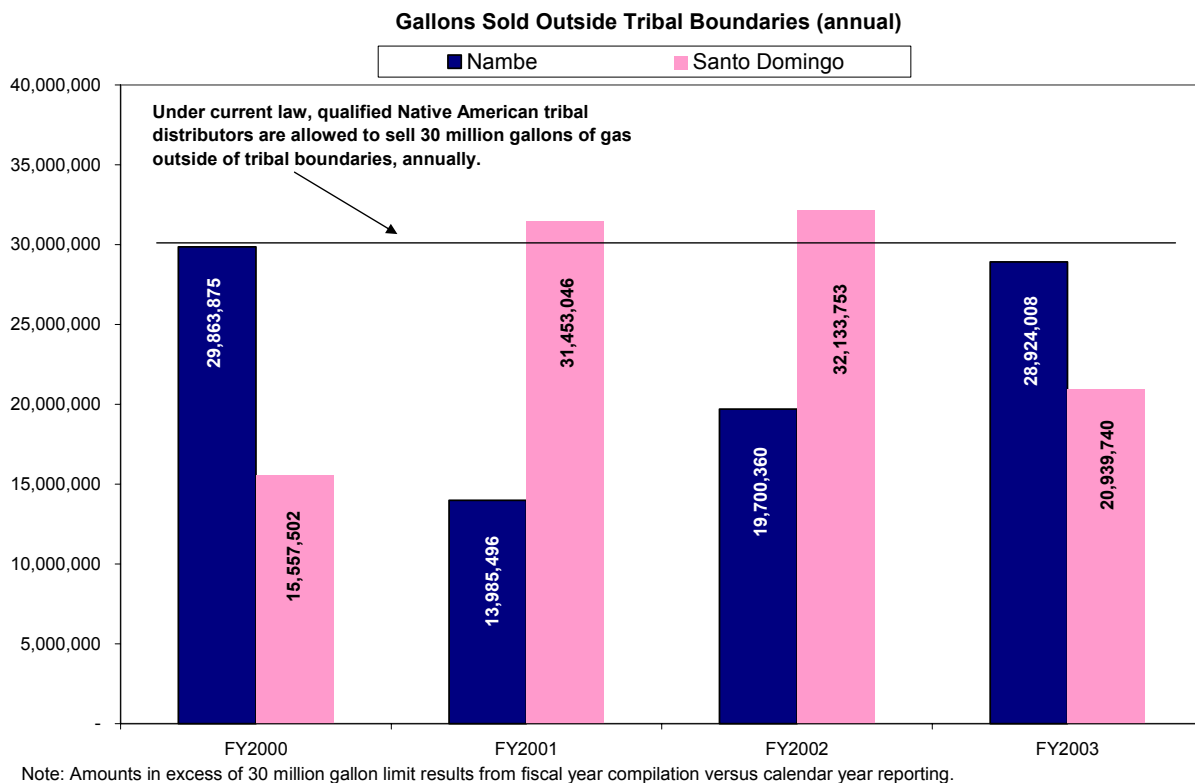
Synopsis of Original Bill

Senate Bill 114 amends current law to include the Pueblo of Santo Domingo, in addition to Nambe Pueblo, to participate in gasoline tax sharing agreements with the NMDOT and Taxation and Revenue Department.

The effective date, if SB114 is enacted, would be July 1, 2004.

Significant Issues

A qualified Native American tribal gasoline distributor can receive 40 percent of the gasoline tax revenue on up to 30 million gallons in one fiscal year, in lieu of distributing these gallons outside of tribal boundaries. These gallons, sold outside of tribal boundaries, are subject to gross receipts tax, paid by the retailer. The graphic below illustrates the activity of these two pueblos over the several past fiscal years.



FISCAL IMPLICATIONS

The amended SB114 would shift \$400 thousand dollars to the general fund to offset the gross receipts impact, estimated by TRD to be \$180 thousand. As such, the amended bill increases revenue to the general fund by \$220 thousand.

SB114 would hold harmless the revenue to tribal governments.

The revenue to the general fund would be made up by a reduction in the distribution to state road fund. Despite this adjustment, the state road fund will increase by \$1.45 million from the tax sharing agreement provision in this bill.

MFV/lg:njw