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FISCAL IMPACT REPORT

SPONSOR B. Lujan DATE TYPED 01/26/05 HB 234

SHORT TITLE Nontaxable Transaction Certificate Re-issuance SB _____

ANALYST Padilla-Jackson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
NFI	NFI	NFI		General Fund
NFI	NFI	NFI		Local Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 234 eliminates certain requirements related to the re-issuance of nontaxable transaction certificates by the Department of Taxation and Revenue. The current statute declares, as of January 1, 2005, that every nontaxable transaction certificate is void with respect to transactions after December 31, 2004 and requires the department to issue new certificates each twelve-year period, beginning January 1, 2005. This bill eliminates those requirements.

This bill carries an emergency clause so the bill's provisions would take effect upon signature by the governor.

FISCAL IMPLICATIONS

TRD reports that this bill would not significantly impact revenues.

ADMINISTRATIVE IMPLICATIONS

TRD's analysis reported the following comment on the administrative implications of the bill:

Eliminating the requirement to issue a new series of NTTC's will result in substantial savings of administrative cost for the Department. The Department is currently developing computer systems that will enable the automation of NTTC processing to a substantial extent. This will enable closer monitoring of NTTC's to prevent abuse of the system, which was the original goal of the requirement to re-issue the paper certificates every 12 years. Thus, the goals of the requirement can be met without going through the expense of re-issuing an entire series of certificates.

OTHER SUBSTANTIVE ISSUES

TRD reported the following note: In addition to administrative costs, re-issuance of a new series of NTTC's would have imposed substantial compliance costs on taxpayers.

OPJ/lg