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FISCAL IMPACT REPORT

SPONSOR HTRC DATE TYPED 03/17/05 HB 930/csHTRC
 SHORT TITLE Military Research Gross Receipts SB _____
 ANALYST Taylor

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	(minimal)	(minimal)	Recurring	General Fund
	(minimal)	(minimal)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
 Taxation and Revenue Department (discussion with staff; FIR not yet available)

SUMMARY

The House Taxation and Revenue Committee substitute for House Bill 930 provides a gross receipts deduction for receipts from “transformational acquisition programs” performing research and development, test and evaluation at New Mexico major and test facility bases. The bill’s definition of transformational specifies that it applies only to new programs, excluding those tested before July 1, 2005. The deduction does not apply to receipts from national laboratory contracts. The deduction exists through 2008 (effectively this is a sunset provision)

FISCAL IMPLICATIONS

The fiscal impact of the new gross receipts tax deduction for “transformational acquisition programs” is estimated as minimal (probably zero). The minimal fiscal impact is based on the provisions limiting the exemption to new programs, which the department of defense staff have indicated probably would not be sent to New Mexico without the deduction.

BT/rs:lg