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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/06  
 SPONSOR Smith LAST UPDATED 2/10/06 HB \_\_\_\_\_  
 SHORT TITLE Underground Irrigation Tool Gross Receipts SB 46/aSFC  
 ANALYST Schardin

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
(110.3)	(331.0)	(331.0)	Recurring	General Fund
(73.6)	(221.0)	(221.0)	Recurring	Local Governments

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB316 and HB 448.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee amendment to Senate Bill 46 adds an emergency clause to the bill so that it will become effective upon receiving the governor's signature.

#### Synopsis of Original Bill

Senate Bill 46 amends Section 7-9-62 NMSA 1978 to expand the definition of agricultural implements that receive a 50 percent deduction from gross receipts tax to include above and below-ground produce irrigation systems that are used at a place where produce is grown.

The amended bill carries an emergency clause, so it is estimated to be for the last four months of FY06.

**FISCAL IMPLICATIONS**

According to TRD, the USDA Census of Agriculture’s publication “2003 Farm and Ranch Irrigation Survey,” New Mexico farms spent nearly \$17 million on irrigation equipment and machinery in 2003. By adding an emergency clause to the bill, the Senate Finance Committee amendment will make the provisions of the bill available for the last four months of FY06.

**ADMINISTRATIVE IMPLICATIONS**

This bill will have a minimal impact on TRD. CRS-1 instructions and publications will be revised and audit and compliances procedures will be developed.

**DUPLICATION**

Senate Bill 46 duplicates House Bill 316.

SS/yr:mt