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FISCAL IMPACT REPORT

SPONSOR B. Lujan **ORIGINAL DATE** 01/22/07
LAST UPDATED 01/31/07 **HB** 238
SHORT TITLE Increase Interim Tax Committee Membership **SB** _____
ANALYST Hanika Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 238 increases membership of the Interim Revenue Stabilization and Tax Policy Committee (RSTPC) to 10 members from each house as opposed to 9 under current law.

FISCAL IMPLICATIONS

No impact on state or local revenues.

SIGNIFICANT ISSUES

Pursuant to Section 2-16-3 NMSA 1978, the committee is directed to examine the statutes, constitutional provisions, regulations and court decisions governing revenue stabilization and tax policy in New Mexico and recommend legislation or changes if any are found to be necessary.

OTHER SUBSTANTIVE ISSUES

In 2006, the committee's focus included:

1. reviewing the adequacy of state revenues, including the adequacy of the tax base in

- years without windfalls or surpluses and the state's ability to generate revenue from the current tax system; identify the most important tax issues for businesses and establish a timetable to address them; and discuss the most beneficial way to address windfall revenues;
2. review the effectiveness of the current tax structure, including working with the Taxation and Revenue Department to establish a tax expenditure report to identify the impact of various tax changes;
 3. examine the fairness and equity of the of the tax structure, including an examination of the balance of revenue collections from property taxes, corporate income taxes and gross receipts taxes; and examine the adequacy of local taxes and distribution of taxes between the state and local governments; and
 4. monitor the price of oil and gas, the price of gasoline and the stability of revenue from the gasoline tax and the adequacy of collections in providing for the costs of road construction and maintenance.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The RSTPC will continue to be composed of eighteen members with 9 members from each house.

AHO/mt