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FISCAL IMPACT REPORT

ORIGINAL DATE 2/27/07

SPONSOR Lujan, B. LAST UPDATED _____ HB HJM 58

SHORT TITLE Economic Development Tax Incentives SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Joint Memorial 58 expresses the appreciation of the Legislature to the Economic Development Department (EDD) for its efforts to promote and sustain manufacturing in New Mexico and requests the department continue to develop tax incentive legislation that promotes manufacturing.

SIGNIFICANT ISSUES

The memorial states that since 2002 manufacturing jobs in New Mexico have increased just less than four percent. The memorial requests that EDD consider other such incentives to continue this trend.

New Mexico offers more than 27 tax and business development incentives. The final report of the Tax Incentive and Accountability Task Force, released by EDD in April 2006, recommended the Taxation and Revenue Department (TRD) report annually on the impact of the most frequently used and costly incentives. These incentives include industrial revenue bonds (IRB), manufacturing investment tax credit, high wage job tax credit, rural jobs tax credit, technology jobs tax credit, and research and development small business tax credit.

House Joint Memorial 58 – Page 2

From 2003 to 2006, the companies claimed \$22.7 million in tax credits through the manufacturing investment tax credit. No data is available on the number of jobs created by companies taking this credit.

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