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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/07  
 LAST UPDATED 2/14/07      HB \_\_\_\_\_

SPONSOR Smith

SHORT TITLE Local Option Senior Services Gross Receipts      SB 518

ANALYST Schardin

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	*See Narrative	*See Narrative	Recurring	County Governments

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 518 creates a new tax, the county senior citizen services gross receipts tax. Counties will be allowed to impose the tax for up to six years in 1/16 percent increments of up to ¼ percent. Revenue raised through imposition of this tax will be restricted for use in the administration and operation of an area agency on aging-approved senior citizen centers that are contract providers of senior citizen services located in the county.

Imposition of this tax will require approval by the majority of a county's voters.

The effective date of these provisions will be July 1, 2007.

### FISCAL IMPLICATIONS

The fiscal impact of this bill depends on if and when county governments choose to impose a county senior citizen service gross receipts tax. TRD provided the table below to indicate the potential revenue increase to each county if an additional 0.25 percent tax were imposed in FY08.

	<b>FY 2008 Taxable Gross Receipts</b>	<b>Revenue from Additional 1/4% Tax</b>
Bernalillo County	\$18,007,800,533	\$45,019,501
Carton County	\$45,398,509	\$113,496
Chaves County	\$1,288,243,597	\$3,220,609
Cibola County	\$221,462,045	\$553,655
Colfax County	\$320,643,295	\$801,608
Curry County	\$893,731,953	\$2,234,330
DeBaca County	\$45,206,628	\$113,017
Dona Ana County	\$3,583,835,026	\$8,959,588
Eddy County	\$2,695,714,130	\$6,739,285
Grant County	\$535,737,390	\$1,339,343
Guadalupe County	\$284,455,853	\$711,140
Harding County	\$6,171,312	\$15,428
Hidalgo County	\$94,012,098	\$235,030
Lea County	\$3,133,096,430	\$7,832,741
Lincoln County	\$555,456,255	\$1,388,641
Los Alamos County	\$914,176,908	\$2,285,442
Luna County	\$498,746,830	\$1,246,867
McKinley County	\$1,103,313,383	\$2,758,283
Mora County	\$22,916,717	\$57,292
Otero County	\$868,728,115	\$2,171,820
Quay County	\$107,209,748	\$268,024
Rio Arriba County	\$691,702,965	\$1,729,257
Roosevelt County	\$348,126,854	\$870,317
San Juan County	\$4,310,992,010	\$10,777,480
San Miquel County	\$336,084,200	\$840,211
Sandoval County	\$2,396,433,606	\$5,991,084
Santa Fe County	\$4,189,459,380	\$10,473,648
Sierra County	\$174,862,825	\$437,157
Socorro County	\$268,437,579	\$671,094
Taos County	\$710,489,941	\$1,776,225
Torrance County	\$164,692,727	\$411,732
Union County	\$83,209,858	\$208,025
<u>Valencia County</u>	<u>\$898,587,912</u>	<u>\$2,246,470</u>
<b>TOTAL</b>	<b>\$49,799,136,612</b>	<b>\$124,497,842</b>

Source: Taxation and Revenue Department

**SIGNIFICANT ISSUES**

Under current law, New Mexico's local governments are authorized to impose up to 4.6875 percent of local option gross receipts taxes (that figure excludes several additional local option taxes that have been authorized for selected local governments). On average, a local option gross receipts tax of about 1.6 percent is actually imposed by local governments statewide. Combined with the state gross receipts tax of 5 percent, the statewide tax rate is therefore 6.6 percent.

**ADMINISTRATIVE IMPLICATIONS**

The administrative impact on TRD will be minimal.

SS/mt