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FISCAL IMPACT REPORT

ORIGINAL DATE 03/01/10

SPONSOR Sandoval LAST UPDATED _____ HB 4

SHORT TITLE Low-Income Comprehensive Tax Rebate SB _____

ANALYST Clifford

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY10	FY11	FY12		
	(\$4,960.0)	(\$5,050.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 4 increases the amount of the Low-Income Comprehensive Tax Rebate and also increases the income levels of taxpayers eligible for the rebate. Proposed amounts and their change from present law levels are illustrated in the following two tables.

Provisions apply to tax years beginning on or after January 1, 2010.

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Modified Gross Income		Proposed benefit per return						
		Total number of exemptions is:						
Over	But not over	1	2	3	4	5	6 or more	
	\$0	\$145	\$210	\$270	\$335	\$380	\$455	
	\$1,001	\$145	\$210	\$270	\$335	\$380	\$490	
	\$2,001	\$145	\$210	\$270	\$335	\$385	\$490	
	\$3,001	\$145	\$210	\$270	\$335	\$385	\$490	
	\$4,001	\$145	\$210	\$270	\$335	\$385	\$490	
	\$5,001	\$125	\$190	\$250	\$320	\$385	\$490	
	\$6,001	\$100	\$145	\$190	\$245	\$305	\$410	
	\$7,001	\$90	\$130	\$165	\$205	\$255	\$335	
	\$8,001	\$80	\$120	\$155	\$195	\$225	\$280	
	\$9,001	\$75	\$110	\$135	\$170	\$205	\$245	
	\$10,001	\$70	\$95	\$120	\$155	\$185	\$225	
	\$11,001	\$65	\$85	\$110	\$135	\$165	\$200	
	\$12,001	\$60	\$80	\$105	\$125	\$145	\$180	
	\$13,001	\$60	\$80	\$105	\$125	\$145	\$180	
	\$14,001	\$55	\$75	\$95	\$115	\$135	\$160	
	\$15,001	\$50	\$75	\$90	\$110	\$125	\$150	
	\$16,001	\$45	\$70	\$85	\$105	\$115	\$145	
	\$17,001	\$40	\$60	\$80	\$95	\$110	\$135	
	\$18,001	\$35	\$50	\$70	\$85	\$100	\$120	
	\$19,001	\$30	\$45	\$60	\$75	\$90	\$105	
	\$20,001	\$25	\$40	\$50	\$65	\$80	\$95	
	\$21,001	\$20	\$35	\$45	\$60	\$70	\$85	
	\$22,001	\$10	\$30	\$40	\$50	\$60	\$70	
	\$23,001	\$10	\$20	\$30	\$40	\$50	\$60	

Modified Gross Income		Change in benefit per return					
		Total number of exemptions is:					
Over	But not over	1	2	3	4	5	6
	\$0	\$10	\$15	\$20	\$25	\$30	\$40
	\$1,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$2,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$3,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$4,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$5,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$6,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$7,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$8,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$9,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$10,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$11,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$12,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$13,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$14,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$15,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$16,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$17,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$18,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$19,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$20,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$21,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$22,001	\$10	\$15	\$20	\$25	\$30	\$40
	\$23,001	\$10	\$30	\$40	\$50	\$60	\$70
	\$24,001	\$10	\$20	\$30	\$40	\$50	\$60

FISCAL IMPLICATIONS

TRD notes:

A simulation model was used to estimate tax liability at 2007 income levels (the most recent year for which complete tax return data is available). Population growth factors were used to increase the liability estimates to the relevant income levels. Calendar year liabilities were converted to fiscal years by assuming the tax rebate would be claimed on taxpayers' tax returns.

SIGNIFICANT ISSUES

The Low-Income Comprehensive Tax Rebate or "LICTR" was last increased in 1998. LICTR is claimed on approximately 270,000 tax returns every year representing over 500,000 individuals. Present law revenue foregone through the LICTR is about \$26 million per year.

DUPLICATES:

House Bill 4 is a duplicate.

TC/svb