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FISCAL IMPACT REPORT

ORIGINAL DATE 2/6/16

SPONSOR Ryan LAST UPDATED _____ HB _____

SHORT TITLE Conform Tax Language to References in Law SB 211

ANALYST Graeser

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18	FY19	FY20		
\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	Recurring	General Fund (CIT)

Parenthesis () indicate revenue decreases

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$14.0			\$14.0	Nonrecurring	General Fund

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 211 cleans up and clarifies the Film Production Tax Credit Act. The bill makes a number non-substantive changes to Section 7-1-2 NMSA 1978 of the Tax Administration Act and various sections in the Film Production Tax Credit Act to conform references in the law resulting from amendments made in 2015. The bill also allows a film production company to assign payment of an authorized film and television tax credit to a third-party financial institution, like the assignment of the film production tax credit that was authorized in the 2015 legislation.

There is no effective date of this bill. It is assumed that the new effective date is 90 days after this session ends (May 18, 2016).

FISCAL IMPLICATIONS

The bill has no impact on the General Fund because it does not modify any of the amounts or procedures pertaining to the calculation of tax credits included in the Film Production Tax Credit Act.

ADMINISTRATIVE IMPLICATIONS

The bill has a low impact to the Taxation and Revenue Department's ITD/GenTax (200 hours) and a minimal impact to the Revenue Processing Division involving the modification of instructions and publications related to the assignment of the Film Production Tax Act credits.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB-238 also amends Section 7-2F-2.1 NMSA 1978.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Does the bill meet the Legislative Finance Committee tax policy principles?

- 1. Adequacy:** Revenue should be adequate to fund needed government services.
- 2. Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
- 3. Equity:** Different taxpayers should be treated fairly.
- 4. Simplicity:** Collection should be simple and easily understood.
- 5. Accountability:** Preferences should be easy to monitor and evaluate

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