

LFC Requester: _____

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)**

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment** _____
Correction _____ **Substitute** _____

Date Prepared _____

Bill Number: HOUSE BILL 184

Sponsor: Rep. Roybal Caballero
Short Title: TAXPAYER INCOME DISTRIBUTIONS

Agency Name and Code DFA-341
Number: _____
Person Writing Noel Martinez
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
	(\$1,276,530)	(\$1,281,424)	R	GF

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 184 (HB184) provides:

Annual Income Distribution: The Department of Finance and Administration (DFA) is responsible for distributing \$1,000 from the general fund to each resident individual who has filed an income tax return or requested an extension for the previous taxable year.

- Married individuals filing jointly will receive a distribution for each person.

Definition of Resident: A resident is defined as someone domiciled in New Mexico for any part of the year or physically present in the state for 185 days or more.

- Individuals who move out of the state with the intention of staying out permanently are not considered residents after their move.

Confidential Information Sharing: HB184 amends section 7-1-8.8 NMSA 1978. The department can share confidential return information with various state and legislative agencies for specific purposes, such as:

- The secretary of finance and administration for film production tax credits and income distributions.

Section 1, subsection B defines a "resident" as an individual who is domiciled in New Mexico during any part of a calendar year or is physically present in the state for 185 days or more during a calendar year.

- Individuals who move their residence outside New Mexico intending to establish permanent residency before the end of the year are not considered residents for periods following that change.

FISCAL IMPLICATIONS

- HB184 establishes an income transfer of \$1,000 to individual tax filers and married individuals filing jointly in New Mexico who meet the following conditions:
 - Resident
 - Filed an income tax return or requested an extension to file an income tax return
- DFA “shall distribute the funds pursuant” to section 1 on or before April 15 of each year
- The following fiscal impact was calculated by using IRS: SOI Tax Stats for Tax Year 2022.

- Methodology
 - The number of tax filers listed below—according to the IRS: SOI's latest publicly available data dictionary—were used to calculate the distribution of \$1,000 per taxpayer.
 - For FY27, the distribution amounts were grown by the average growth rate in the number of tax filers by category from TY21 to TY22 (0.4%)

Number of single returns	Filing status is single	Num
Number of joint returns	Filing status is married filing jointly	Num
Number of head of household returns	Filing status is head of household	Num

	Number of Tax Filers	Distribution (\$1,000)
Number Of Single Returns	51,540	\$ 511,540,000
Number Of Joint Returns	304,110	\$ 608,220,000
Number Of Head Of Household Returns	156,770	\$ 156,770,000
Total		\$ 1,276,530,000

Source: IRS, Statistics of Income Division, Individual Master File System, January 2025.

1. Each resident in Joint Returns would receive \$1,000.

SIGNIFICANT ISSUES

- Section 1, subsection B can potentially pose challenges as the proposed legislation does not clearly define the mechanism or agency responsible for tracking and determining whether an individual is classified as a “resident.”
- The following clause that DFA “shall distribute the funds pursuant” to section 1 on or before April 15 of each year would limit other strategic budget recommendations as the proposed legislation would continue into perpetuity which will eliminate other funding opportunities.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

- DFA’s reporting duties outlined in 7-1-8.8 *Information That May Be Revealed to Other State and Legislative Agencies* is expanded to include the proposed income distribution under section 1 of HB 184

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

NA

TECHNICAL ISSUES

- Non-resident tax filers are not identified in the bill.

OTHER SUBSTANTIVE ISSUES

NA

ALTERNATIVES

NA

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

- Failing to enact this bill will decrease the disposable income of tax filers who meet the definition of “resident” outlined in Section 1, subsection B of HB184.

AMENDMENTS