

LFC Requester:

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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}*

**Date Prepared:** 2/10/2025 *Check all that apply:*  
**Bill Number:** HB293 Original  Correction   
 Amendment  Substitute

**Sponsor:** Elaine Sena Cortez, Mark B. Murphy, Jay C. Block, Rod Montoya, John Block **Agency Name and Code:** Economic Development Department  
**Short Title:** ELIMINATE SOCIAL SECURITY TAX **Number:** 41900  
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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		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(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 293 (HB293) removes the income cap on the exemption for social security income under the Income Tax Act, amending Section 7-2-5.14 NMSA 1978. Previously, only individuals with adjusted gross incomes below specific thresholds qualified for the exemption. These limits included \$75,000 for married individuals filing separately, \$150,000 for heads of household, surviving spouses, and married individuals filing jointly, and \$100,000 for single individuals. HB293 removes these income limits, making the exemption available to all taxpayers regardless of their adjusted gross income, while introducing a new limitation that the exempted amount cannot exceed the individual's net income. The provisions apply to taxable years beginning on or after January 1, 2025.

#### **FISCAL IMPLICATIONS**

#### **SIGNIFICANT ISSUES**

HB293 allows beneficiaries of social security income to keep more of their benefits, which could potentially lead to increased consumer spending and strengthen local economies. However, the reduction in state income tax revenue may raise concerns about long-term fiscal sustainability.

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

#### **AMENDMENTS**