

**BILL ANALYSIS AND FISCAL IMPACT REPORT**  
**Taxation and Revenue Department**

**February 26, 2025**

**Bill:** HB-494

**Sponsor:** Representative Alan T. Martinez

**Short Title:** Tax Exemptions for Veterans

**Description:** This bill amends Section 7-38-17 NMSA 1978 to remove the exception for a disabled veteran or the disabled veteran’s surviving spouse to provide proof of eligibility during any point of the tax year. Pursuant to 7-38-17 C NMSA 1978 qualifying taxpayers will need to apply no later than thirty days after the mailing of the county assessor’s notices of valuation.

**Effective Date:** Not specified; 90 days following adjournment (June 20, 2025).

**Taxation and Revenue Department Analyst:** Lucinda Sydow

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
			Minimal		R	Section 1: Counties, Municipalities, Property Taxing Districts
			Minimal		R	Section 1: State General Obligation Bond Fund

\* In thousands of dollars. Parentheses ( ) indicate a revenue loss. \*\* Recurring (R) or Non-Recurring (NR).

**Methodology for Estimated Revenue Impact:** Local impacts of the legislation proposed in this bill will vary widely across the state depending on the per capita population of disabled veterans in the county and the extent to which taxpayer behavior has been following the exception to show proof at any time during the tax year. Tax & Rev assumes a minimal impact to the tax base but in the positive direction as there are delays in claiming the exemption.

**Policy Issues:** This proposal will apply equity to the claiming of all exemptions under this act, including head-of-family, veteran, disabled veteran and veteran’s organization exemptions. The removal of the exception for a disabled veteran or the disabled veteran’s surviving spouse to provide proof of eligibility during any point of the tax year will ease administrative burden for county assessors. Additionally, every county assessor will know the applicable exemptions for the tax year before submitting a final budget to the Department of Finance and Administration, allowing for more stability in the budgeting process.

**Technical Issues:** None.

**Other Issues:** None.

**Administrative & Compliance Impact:** This bill presents little to no impact for Tax & Rev’s Property Tax Division. County assessors will have less administration burden and have complete knowledge of exemptions before finalizing their annual budgets.

**Related Bills:** Relates to SB-192 which contains duplicate changes under Section 5 and HB-342 which contains duplicate changes under Section 7.