

LFC Requester:	Laird Graeser
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**AGENCY BILL ANALYSIS
2015 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

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 5 February 2015
Bill No: HB 275

Sponsor: Rep. Deborah A. Armstrong
Short Separate Reporting of Tax
Title: Expenditures

Agency Code: Attorney General's Office
Person Writing Luis Carrasco, AAG.
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	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

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

BILL SUMMARY

Synopsis:

House Bill 275 (“HB275”) is an act that would require a person that has reduced its tax liability by using a tax expenditure approved by the Taxation & Revenue Department (“TRD”) to separately state each expenditure on that person’s return. HB275 also required the TRD Secretary to promulgate rules to implement this new reporting requirement.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 346 also proposes making changes to NMSA 1978, Section 7-1-10 (2007), specifically, removing the compensating tax from those taxes for which the TRD Secretary may enter into and agreement with a taxpayer allowing the taxpayer to report values, gross receipts, deduction or the value of property on an estimated basis.

TECHNICAL ISSUES

It may facilitate reader comprehension to use “its” in substitution for “the person’s” at p.4, line 8 and to insert “tax” before “expenditure” at p. 4, line 11. Providing a definition for “tax expenditure” would likewise facilitate reader comprehension.

OTHER SUBSTANTIVE ISSUES

None noted.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The status quo will remain. Persons required to file returns with TRD will have no obligation to separately list tax expenditures used to reduce its tax liability. The TRD Secretary will not be required to promulgate rules to implement tax expenditure reporting on tax returns.

AMENDMENTS

See TECHNICAL ISSUES above.