

LFC Requester:	Peter VanMoorsel
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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 February 20, 2015
Bill No: SB 561

Sponsor: Sen. Jacob R. Candelaria
Short CORPORATE TAX FOR
Title: PRESCHOOL PROGRAMS

Agency Code: Attorney General's Office
Person Writing Joshua R. Granata, 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:

- SB 257 proposes to amend the Audit Act and may affect Section 8 of SB 561.
- HB 451 proposes to increase the number and quality of pre-kindergarten programs and may duplicate provisions of SB 561.
- HB 495 is a duplicate bill of SB 561.
- HB 547 proposes to create an Early Learning Department and may conflict with or duplicate provisions of SB 561.
- SB 301 proposes to create early education related funds which may conflict with the fund created under SB 561.
- SB 607 appears to be a duplicate of HB 547 and would present the same conflicts or duplication of provisions with SB 561.

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:

Senate Bill 561 is an act which proposes to repeal Section 2-8-19.1. The proposed act creates new material in the Tax Administration Act, Sec. 7-1-1 et seq. which would impose a corporate low wage tax on certain employers who are defined in section 2 of the act as “every employer corporation having a global gross income of over one billion dollars (\$1,000,000,000) that is employed or engaged in the transaction of business in, into or from this state or deriving any income from any property or employment within the state.” The act would enact the Preschool Program Act and create the preschool program fund in order to fund the preschool development programs.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

None noted.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

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TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

On page 12, subsection E, as drafted, it is unclear when the second distribution of funds to the eligible providers is to occur. Perhaps this subsection can be divided into two subsections. Subsection E would describe the process for distribution of funds, while the new subsection F would contain the language on line 22 after the period through line 25.