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FISCAL IMPACT REPORT

ORIGINAL DATE 2-13-09

SPONSOR Picraux LAST UPDATED _____ HB 669

SHORT TITLE Tax-Exempt Info Filing Requirements SB _____

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

No Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 669 amends Section 57-22-6 NMSA 1978 to require that charities subject to the New Mexico Charitable Solicitations Act file all schedules accompanying their 990 tax form with the Attorney General. The information on the schedules will be public record subject to confidentiality requirements of the Internal Revenue Code.

SIGNIFICANT ISSUES

Currently Section 57-22-6 NMSA only requires that a charity file their Form 990 and accompanying schedule A. The IRS updated the 990 for financial information reporting beginning tax year 2008 and expanded the number of possible schedules from two (A & B) to sixteen (Schedule A through R) for use by charities in a graduated rollout plan beginning this year. The information formerly provided on schedule A has now been spread out across four new schedules. This amendment addresses the IRS expansion and adapts New Mexico law accordingly. If a charity is required to adjust their filings with the IRS based on the new federal forms, charities will be required to provide full copies of the new filings to New Mexico, too.

OTHER SUBSTANTIVE ISSUES

The IRS has already initiated the expanded filing of schedules along with the required 990. There is no increase in the burden placed upon charities by this amendment except to file a copy of what the federal law already requires, with the NMAGO as well.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico will be required to issue Civil Investigative Demands to charities to get the relevant schedules accompanying the new IRS form 990, rather than the charities providing them automatically. The information included in the new schedule A will be one quarter of what is currently provided. The AGO needs the information to continue to execute its statutory mandate of charitable solicitation oversight in New Mexico.

EO/mt