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AN ACT

RELATING TO TAXATION; REQUIRING THE DEVELOPMENT OF A TAX EXPENDITURE BUDGET AND A DEDICATED REVENUE BUDGET; REQUIRING REPORTING; AUTHORIZING THE TAXATION AND REVENUE DEPARTMENT TO REVEAL CERTAIN RETURN INFORMATION TO THE CONSENSUS REVENUE ESTIMATING GROUP; PROVIDING A PENALTY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Tax Administration Act is enacted to read:

"TAX EXPENDITURE BUDGET--MANDATORY REPORT--DEADLINE.--

A. No later than October 15 of each year, the consensus revenue estimating group shall compile a tax expenditure budget for the upcoming fiscal year and present the tax expenditure budget, including an analysis of tax expenditures, to the governor, the legislative interim revenue stabilization and tax policy committee and the legislative finance committee and post it on the sunshine portal. The tax expenditure budget shall report on tax expenditures chosen by the consensus revenue estimating group; provided that all tax expenditures with revenue impacts of more than one million dollars (\$1,000,000) in the aggregate for a specific tax expenditure shall be reported before the end of the five-year period following the effective date of the provisions of this section, and each

1 five-year period thereafter.

2 B. A tax expenditure budget shall detail the  
3 approximate costs in foregone revenue from tax expenditures.

4 A tax expenditure budget shall:

5 (1) include a projection of the costs of tax  
6 expenditures for all significant general fund revenue  
7 sources;

8 (2) identify each tax expenditure and its  
9 statutory basis, purpose, year of enactment and date of  
10 repeal, if any;

11 (3) quantify the revenue expended by the  
12 state from each tax expenditure;

13 (4) identify the aggregate amount of each  
14 tax expenditure and the number of businesses that used the  
15 tax expenditure;

16 (5) identify unexpected effects of the tax  
17 expenditure that were not within the original expected  
18 outcomes of the tax expenditure that have come to the  
19 attention of the department;

20 (6) provide a total of all of the costs in  
21 each fiscal year for all tax expenditures; and

22 (7) include an estimate of jobs created and  
23 the number of businesses that potentially qualified for but  
24 failed to apply for a tax expenditure from reports provided  
25 by the economic development department.

1           C. The consensus revenue estimating group may  
2 request from a state agency or a local government agency  
3 official information necessary to complete the tax  
4 expenditure budget required by this section, and an agency or  
5 official shall comply with a request made pursuant to this  
6 section.

7           D. The economic development department shall  
8 estimate the jobs created and the number of businesses that  
9 potentially qualified for but failed to apply for a tax  
10 expenditure and shall report those projections to the  
11 consensus revenue estimating group.

12           E. As used in this section:

13                   (1) "consensus revenue estimating group"  
14 means the professional economists of the department of  
15 finance and administration, the department of transportation,  
16 the taxation and revenue department and the legislative  
17 finance committee;

18                   (2) "jobs created" means the net increase of  
19 full-time jobs that exceeds the full-time equivalent of jobs  
20 that existed at the beginning of the reporting period;  
21 provided that the additional jobs can specifically be  
22 attributed to use of a tax expenditure, including:

23                           (a) the net increase if jobs are  
24 changed from part time to full time;

25                           (b) the full-time equivalent of jobs

1 created that were previously filled by employees on contract;  
2 and

3 (c) new jobs created;

4 (3) "significant general fund revenue  
5 sources" means state taxes, including but not limited to the  
6 gross receipts tax, compensating tax, corporate income tax,  
7 personal income tax, tobacco excise tax, liquor excise tax,  
8 taxes levied on natural resource production and sale, motor  
9 vehicle excise tax, gaming excise tax and other sources of  
10 revenue such as rents and royalties, tribal revenue sharing,  
11 fire protection fund reversions, premium taxes and the leased  
12 vehicle surcharge;

13 (4) "tax expenditure" means a deduction,  
14 credit, exemption, exclusion, rebate, offset, preferential  
15 tax rate, subtraction or allowance or related tax structure  
16 that reduces tax liability when compared with a normal tax  
17 system as determined by the consensus revenue estimating  
18 group; and

19 (5) "tax expenditure budget" means a  
20 compilation of information about New Mexico's tax  
21 expenditures that includes data from the three years  
22 preceding the current fiscal year, the current fiscal year  
23 and the upcoming fiscal year."

24 SECTION 2. A new section of the Tax Administration Act  
25 is enacted to read:

1 "DEDICATED REVENUE BUDGET--MANDATORY REPORT--DEADLINE.--

2 A. No later than October 15 of each year, the  
3 consensus revenue estimating group shall compile a dedicated  
4 revenue budget for the upcoming fiscal year and present the  
5 dedicated revenue budget, including an analysis of tax  
6 expenditures, to the governor, the legislative interim  
7 revenue stabilization and tax policy committee and the  
8 legislative finance committee and post it on the sunshine  
9 portal. The dedicated revenue budget shall report on  
10 dedicated annual revenues chosen by the consensus revenue  
11 estimating group; provided that all dedicated annual revenues  
12 with revenue impacts of more than one million dollars  
13 (\$1,000,000) in the aggregate for a specific dedicated  
14 revenue beneficiary shall be reported before the end of the  
15 five-year period following the effective date of the  
16 provisions of this section, and each five-year period  
17 thereafter.

18 B. A dedicated revenue budget shall detail the  
19 approximate projected dedicated revenue for the following  
20 fiscal year that will be unavailable to the general fund.

21 A dedicated revenue budget shall:

22 (1) identify each dedicated revenue item  
23 and its statutory basis, purpose, year of enactment and date  
24 of repeal, if any;

25 (2) identify the beneficiaries of each

1 dedicated revenue item, including the uses of the dedicated  
2 revenue;

3 (3) identify the outcomes resulting from  
4 the expenditure of dedicated revenue, if any are  
5 quantifiable;

6 (4) identify significant unintended effects  
7 of the dedicated revenue that have come to the attention of  
8 the department; and

9 (5) provide a total of all of the  
10 collections and appropriations in each fiscal year for all  
11 dedicated revenue.

12 C. The consensus revenue estimating group may  
13 request from a state agency or a local government agency  
14 official information necessary to complete the dedicated  
15 revenue budget required by this section. An agency or  
16 official shall comply with a request made pursuant to this  
17 section unless a specific statutory confidentiality provision  
18 prohibits doing so.

19 D. As used in this section:

20 (1) "consensus revenue estimating group"  
21 means the professional economists of the department of  
22 finance and administration, the department of transportation,  
23 the taxation and revenue department and the legislative  
24 finance committee; and

25 (2) "dedicated revenue" means an

1 expenditure of a tax or fee that is dedicated to a specific  
2 program or purpose, as defined by constitution or statute."

3 SECTION 3. Section 7-1-8.8 NMSA 1978 (being Laws 2009,  
4 Chapter 243, Section 10) is amended to read:

5 "7-1-8.8. INFORMATION THAT MAY BE REVEALED TO OTHER  
6 STATE AGENCIES AND STATE PROFESSIONAL ECONOMISTS.--An  
7 employee of the department may reveal to:

8 A. a committee of the legislature for a valid  
9 legislative purpose, return information concerning any tax or  
10 fee imposed pursuant to the Cigarette Tax Act;

11 B. the attorney general, return information  
12 acquired pursuant to the Cigarette Tax Act for purposes of  
13 Section 6-4-13 NMSA 1978 and the master settlement agreement  
14 defined in Section 6-4-12 NMSA 1978;

15 C. the commissioner of public lands, return  
16 information for use in auditing that pertains to rentals,  
17 royalties, fees and other payments due the state under land  
18 sale, land lease or other land use contracts;

19 D. the secretary of human services or the  
20 secretary's delegate, under a written agreement with the  
21 department, the last known address with date of all names  
22 certified to the department as being absent parents of  
23 children receiving public financial assistance, but only for  
24 the purpose of enforcing the support liability of the absent  
25 parents by the child support enforcement division or any

1 successor organizational unit;

2 E. the department of information technology, by  
3 electronic media, a database updated quarterly that contains  
4 the names, addresses, county of address and taxpayer  
5 identification numbers of New Mexico personal income tax  
6 filers, but only for the purpose of producing the random jury  
7 list for the selection of petit or grand jurors for the state  
8 courts pursuant to Section 38-5-3 NMSA 1978;

9 F. the state courts, the random jury lists  
10 produced by the department of information technology under  
11 Subsection E of this section;

12 G. the director of the New Mexico department of  
13 agriculture or the director's authorized representative, upon  
14 request of the director or representative, the names and  
15 addresses of all gasoline or special fuel distributors,  
16 wholesalers and retailers;

17 H. the public regulation commission, return  
18 information with respect to the Corporate Income and  
19 Franchise Tax Act required to enable the commission to carry  
20 out its duties;

21 I. the state racing commission, return  
22 information with respect to the state, municipal and county  
23 gross receipts taxes paid by racetracks;

24 J. the gaming control board, tax returns of  
25 license applicants and their affiliates as provided in



1 Subsection E of Section 60-2E-14 NMSA 1978;

2 K. the director of the workers' compensation  
3 administration or to the director's representatives  
4 authorized for this purpose, return information to facilitate  
5 the identification of taxpayers that are delinquent or  
6 noncompliant in payment of fees required by Section 52-1-9.1  
7 or 52-5-19 NMSA 1978;

8 L. the secretary of workforce solutions or the  
9 secretary's delegate, return information for use in  
10 enforcement of unemployment insurance collections pursuant to  
11 the terms of a written reciprocal agreement entered into by  
12 the department with the secretary of workforce solutions for  
13 exchange of information; and

14 M. the professional economists of the department  
15 of finance and administration, the department of  
16 transportation and the legislative finance committee, return  
17 information necessary, not including a taxpayer's name,  
18 address or government-issued identification number, to  
19 facilitate the compilation of the tax expenditure budget  
20 pursuant to Section 1 of this 2013 act and the dedicated  
21 revenue budget pursuant to Section 2 of this 2013 act."\_\_\_\_\_

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