

**Approved Work Plan
for the
Family Committee
of the
Blue Ribbon Tax Reform Commission**

June 12, 2003

Adopt work plan and topics for upcoming meetings

Personal income tax

- a. overview of personal income tax
- b. piggy-backing on federal taxable income – what does it mean?
- c. New Mexico brackets and distribution of taxpayers
- d. examples – who pays what
- e. review of 2003 personal income tax reduction

July 1, 2003

Review of existing studies of family tax burden in NM and other states

Gross receipts tax on food

- overview of issues and numbers
- review previous legislative proposals
 - re-institute personal income tax rebate for all residents
 - re-institute personal income tax rebate for low-income residents
 - revise and increase low income comprehensive tax rebate
 - eliminate state portion of gross receipts tax
 - eliminate state and local portions of gross receipt tax
 - hold harmless for local governments
 - new revenue source for local governments
- other solutions?
 - tax food at a reduced rate
 - deduction for specified income classes using an electronic benefits card
 - state program to expand use of federal food stamps

Taxation of medical services

- define the problem in terms of the impact on families
 - what medical services are of concern
 - what is the extent of the tax problem
 - who pays and how much
- overview of existing data – can industry provide additional data?
- review of previous legislative solutions

Estate tax – should NM decouple from the federal credit?

- explanation of current State tax and federal law changes
- actions in other states

- policy options

July 29, 2003

Taxation of food, continued

- presentation by THINK NM
- input from other private individuals or groups (including NM Voices for Children, Dr. Brian McDonald)
- discussion of policy options

Taxation of medical services, continued

- additional analysis of issues and numbers
- input from the stakeholders and members of the public (including NM Medical Society, NM Citizens for Physician Retention, NM Health Care Association - long term care)
- discussion of policy options

August 12, 2003

Personal income tax – begin analysis

- evaluation of 2003 state income tax reduction
 - fiscal impact, including dynamic impact
 - impact on PIT structure and future growth
 - options for extending relief to lower and middle income taxpayers
- marriage penalty
 - review recent federal actions and remaining marriage penalties
 - marriage penalties from state tax structure
 - options for reducing marriage penalty
- special tax provisions applying to persons 65 or older
 - review federal and state special provisions
 - comparison with other states
 - discuss policy issues relating to persons 65 or older
 - proposals from AARP and others for additional tax benefits

August 26, 2003

Personal income tax – continued

- review other special deductions and credits affecting families, including the low income comprehensive tax rebate (LICTR), the child care credit, and the deduction for unreimbursed medical care expenses.
 - evaluate need to continue, expand or modify
 - consider the need to restructure LICTR
- indexation of tax brackets, credits, etc. – advantages and disadvantages
- selective decoupling from federal taxable income – advantages and disadvantages

- tax compliance and administration issues, including residency requirements, withholding requirements and tables, etc.
- PIT-based distribution for local governments or local government income tax
- Taxes on alcoholic beverages and tobacco products – issues affecting families
- Affordable housing – the impact of taxes and the search for a dedicated funding stream

September 12, 2003

- Wrap-up
- Discuss recommendations to full Commission