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FISCAL IMPACT REPORT

SPONSOR: Russell DATE TYPED: 01/28/00 HB 62
SHORT TITLE: Veteran Exemption for Grenada Conflict SB _____
ANALYST: Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		No Fiscal Impact		

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to H 90, HJR 3, SJR 2

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Endorsed by the Revenue Stabilization and Tax Policy Committee. Extends the veteran exemption for property tax purposes to individuals serving in the Armed Forces on active duty in the Grenada conflict. Applies beginning property tax year 2001.

FISCAL IMPLICATIONS

Taxation and Revenue Department noted no significant fiscal impact for several reasons. The number of claims is expected to be small. The average amount of tax relief statewide is estimated to be \$50 per veteran. Total estimated relief is approximately \$200,000, less than 0.03 percent of the state's total approximate \$678 million in annual property tax revenues.

ADMINISTRATIVE IMPLICATIONS

No significant administrative impacts for TRD were noted.

AW/njw

BILL ANALYSIS AND FISCAL IMPACT REPORT

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DATE: January 24, 2000

**Submitted by: TAXATION AND REVENUE DEPT.
JOHN J. CHAVEZ, SECRETARY**

BILL NUMBER: House Bill 62

SPONSOR: Representative Vanderstar Russell

BILL SHORT TITLE: Extending the property tax veterans exemption to individuals that served in the Grenada conflict.

DESCRIPTION:

This proposal would extend the current \$2,000, veterans exemption against property taxes to individuals who served in the armed services during the Grenada conflict -- October 13 through December 31, 1983.

EFFECTIVE DATE: Applicable to the 2001 and subsequent property tax years.

FISCAL IMPACT (Thousands of dollars):

The proposal would impose no significant impacts on state or local funding sources for a number of reasons. First, the number of veterans benefiting from the proposal is likely to be small. Secondly, the amount of tax relief provided by the measure would total only about \$50 per veteran. Suppose, for example, the proposed measure increases the number of veterans claiming the exemption by 5 percent of the current approximately 81,500 claimants. Roughly 4,000 new claimants would result. Since the average amount of relief provided by the exemption is about \$50 statewide, total amount of relief would be in the range of \$200,000 -- less than .03 percent of the state's total approximate \$678 million in annual property tax revenues. Currently about 1.1 percent of the US labor force consists of people in the military service. The figure was approximately 2 percent during the Grenada Conflict. Since the New Mexico labor force totaled about 600,000 at the time, the total number of New Mexicans serving in the Grenada Conflict was probably on the order of 12,000 individuals. If the proposal increased the number of individuals claiming the exemption by 12,000 people, the result would be an increase in exemptions of less than .1 percent of current property tax revenues.

ADMINISTRATIVE IMPACT (Thousands of Dollars)

No significant administrative impacts would result from enactment of the proposal.

TECHNICAL ISSUES:

none

OTHER IMPACTS AND ISSUES:

There is no reason to exclude individuals that served in the armed services during the Grenada conflict from receiving the veterans exemption.