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### FISCAL IMPACT REPORT

SPONSOR:	Silva	DATE TYPED:	02/07/00	HB	404
SHORT TITLE:	Amend Leased Vehicle Gross Receipts Tax Act			SB	
				ANALYST:	Eaton

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ (90.0)		Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

Index to Revenue Sources of New Mexico

General Fund Financial Audit, June 30, 1999

## SUMMARY

### Synopsis of Bill

This bill amends the leased vehicle gross receipts tax act to exempt replacement vehicles from the leased vehicle surcharge. This for this exemption, "replacement vehicle" is defined as a vehicle that is rented or loaned temporarily by a repair facility or dealer and is used in place of a vehicle owned by the lessee and is unavailable due to mechanical breakdown, repair, service, damage or loss as defined in the lessee's applicable private passenger automotive insurance policy.

The daily surcharge on leased vehicles is \$2.00. 100% of the proceeds are distributed to the general fund (6-4-2). For the fiscal year ending June 30, 1999, the leased vehicle surcharge distributed \$5,892.1 to the general fund.

## FISCAL IMPLICATIONS

The estimated impact to the general fund is \$90.0 (recurring).

The estimate is based on extract of gross receipts tax records for companies known to specialize in "replacement rentals", augmented by 25% to include vehicles rented for use when an owned vehicle is "in the shop" for repair of mechanical problems not related to an accident.

JBE/gm