

relatively greater portion of the total as "shared costs" rather than royalties. This would increase the cost of this measure over a few years to \$2.4 or \$2.5 million.

ADMINISTRATIVE IMPLICATIONS

Minimal.

OTHER SUBSTANTIVE ISSUES

The case law that supports the Department's position in recent audits are contained in three cases decided by New Mexico courts in 1979: AAMCO Transmissions v. Taxation and Revenue Department, 93 N.M. 389, 600 P.2d 841 (Ct. App.) cert denied, 93 N.M. 205, 598 P.2d 1165 (1979); Baskin-Robbins Ice Cream Co. v. Revenue Division, 93 N.M. 301, 599 P.2d 1098 (Ct. App 1979); and American Daily Queen Corp. v. Taxation and Revenue Department, 93 N.M. 743 605 P.2d 251 (Ct. App. 1979).

This bill would overturn the result of fairly recent audits and (on-going) litigation on the subject.

JBE/ar