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## FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 03/02/01 HB \_\_\_\_\_

SHORT TITLE: Phase In Property Tax Exemption for Vets, CA SB SJR 1

ANALYST: Williams

### REVENUE

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

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

The bill proposes a change to the New Mexico Constitution at the next general election. If approved, the legislature would then pass legislation to increase the current veterans property tax exemption of \$2,000. The exemption would be raised to \$2,500 in tax year 2003, \$3,000 in 2004, \$3,500 in 2005 and \$4,000 in tax year 2006 and beyond. This measure would appear on the ballot at the next general election.

### FISCAL IMPLICATIONS

TRD estimates there would be no fiscal impact to the state or local governments. The amount of total residential net taxable value which is removed from the base due to the current \$2,000 exemption is \$162.0 million. The tax reduction would target approximately 81,000 veterans. TRD estimates the tax impact per veteran at about \$50. The approximately \$8,000.0 in total tax relief in tax year 2006 would be picked up by an increase in rates on other taxpayers of approximately 1%.

AW/ar