

FISCAL IMPLICATIONS

SB 325 does not contain an appropriation, however TRD estimates an annual impact to the General Fund of \$45.8 million. The impact for FY 02 is estimated at approximately \$41.6 million.

OTHER SUBSTANTIVE ISSUES

All receipts are Gross Receipts Taxes are deposited in the tax administration suspense fund in the state treasury; after payment of necessary refunds and interest, the balance is distributed monthly as follows:

- 1.225 percent of the taxable gross receipts reported for the month of deposit for each municipality is distributed to that municipality – Section 7-1-6.4 NMSA 1978;
- 3.59 percent of gross receipts attributable to the sale of jet fuel is distributed to the state aviation fund for general purposes, and from July 1, 2002 through June 30, 2007, an additional .046 percent of the gross receipts attributable to the sale of jet fuel is distributed to the state aviation fund for carrying out the provisions of the air service assistance program – Section 7-1-6.7 and 64-1-15 NMSA 1978.
- Effective July 1, 2001, \$500,000 from the net receipts attributable to the gross receipts tax is made to the state office building bonding fund – Section 7-1-6.42 NMSA 1978;
- Local option gross receipts taxes are distributed to the appropriate county or municipality – Section 7-1-6.12 and 7-1-6.13 NMSA 1978; and
- County health care gross receipts taxes are distributed to the county-supported Medicaid fund – Section 7-20E-18 NMSA 1978.

SN/ar