

1 SENATE JOINT MEMORIAL 76

2 45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

3 INTRODUCED BY

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10 A JOINT MEMORIAL

11 REQUESTING THAT THE DEPARTMENT OF FINANCE AND ADMINISTRATION
12 AND THE TAXATION AND REVENUE DEPARTMENT CONDUCT A STUDY TO
13 DETERMINE THE FEASIBILITY OF USING FISCAL AND TAX FORECASTING
14 SOFTWARE.

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16 WHEREAS, every year, the New Mexico legislature proposes
17 numerous measures to provide tax relief or other economic
18 stimulus benefits; and

19 WHEREAS, the legislature must understand both the short-
20 and long-term costs and benefits of the proposed measures to
21 properly evaluate their impact; and

22 WHEREAS, the state's economy is impacted by various
23 factors, including population density in rural and urban
24 areas; imports and exports; interstate, intrastate and
25 international migration; agricultural, technological, tourism

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1 and other industries; and natural resources; and

2 WHEREAS, the state's efforts to formulate and implement
3 appropriate tax and economic development policy must take into
4 consideration the regional, as well as the statewide,
5 implications of those efforts; and

6 WHEREAS, the recent economic impact of terrorist attacks,
7 a major bankruptcy and substandard accounting and auditing
8 practices require that the state's fiscal policy and revenue
9 projections be as economically sound as possible; and

10 WHEREAS, the estimated three-year cost of the use of
11 customized economic forecasting software is about three-
12 thousandths of one percent of the projected general fund
13 expenditures for fiscal year 2003;

14 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
15 STATE OF NEW MEXICO that the department of finance and
16 administration and the taxation and revenue department be
17 requested to investigate the purchase, lease or rental of
18 customized software that will provide dynamic economic
19 forecasting and fiscal analysis; and

20 BE IT FURTHER RESOLVED that the department of finance and
21 administration and the taxation and revenue department take
22 into consideration:

23 A. national, state, regional and local data
24 variables that can affect the economy at state and local
25 levels;

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1 B. the feasibility of using state, regional or
2 county models;

3 C. the diverse industries and small businesses
4 that provide employment for the state;

5 D. variations in consumer income, spending and
6 investment; and

7 E. existing and proposed national, state and local
8 tax structures; and

9 BE IT FURTHER RESOLVED that, during the 2002 interim, the
10 department of finance and administration and the taxation and
11 revenue department demonstrate some of the available economic
12 forecasting software to the revenue stabilization and tax
13 policy committee and the legislative finance committee; and

14 BE IT FURTHER RESOLVED that the department of finance and
15 administration and the taxation and revenue department present
16 their findings and recommendations to the revenue
17 stabilization and tax policy committee and the legislative
18 finance committee by October 30, 2002; and

19 BE IT FURTHER RESOLVED that copies of this memorial be
20 transmitted to the department of finance and administration
21 and the taxation and revenue department.