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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 2/19/03 HB 168a/HTRC
 SHORT TITLE: Tax Reform Commission SB _____
 ANALYST: Neel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
\$200.0				Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 277, *Create Blue Ribbon Tax Reform Commission*

SOURCES OF INFORMATION

LFC files.

SUMMARY

Synopsis of HTRC Amendment

The House Taxation and Revenue Committee amendment expands the “Blue Ribbon Tax Reform Commission” from 17 members to 23. The compositions of the commissions membership will be appointed as follows: 5 members of the House of Representatives appointed by the Speaker of the House; 5 members of the Senate appointed by the president pro tempore of the Senate; 11 public members appointed by the Governor; and an additional 2 public members appointed by the Speaker of the House and President Pro Tempore of the Senate.

The amendment further specifies the commission shall examine the personal income tax reductions passed by the 2003 Legislature. The main piece of legislation that the “Blue Ribbon Tax Reform Commission will examine is Senate Bill 167, *Income Tax Cuts* which reduces New Mexico’s highest personal income tax rates from their current maximum of 8.2 % to 7.7% in tax year 2003; 6.8% in tax year 2004; 6.0% in tax year 2005; 5.3% in tax year 2006 and 4.9% in tax year 2007.

Synopsis of Original Bill

House Bill 168 creates the Blue Ribbon Tax Reform Commission. The commission shall consist

of 17 members. Three shall be appointed by the Speaker of the House and three shall be appointed by the President Pro Tempore of the Senate. Party affiliations shall be in the proportions prevailing in the respective houses. Eleven members will be appointed by the Governor, with at least one member representing municipal governments, one member representing county government and one member representing Native American tribes, pueblos and nations.

The purpose of the committee is to make recommendations for the reform of New Mexico's tax laws. The Commission may hire or contract with staff and hear testimony.

The bill includes an emergency clause

FISCAL IMPACT

SB 277 appropriates \$200.0 from the general fund to the legislative council service for expenditures in 2003 and 2004 to carry out the provisions of the Act. Any unexpended or unencumbered balances remaining at the end of fiscal year 2004 shall revert to the general fund.

SN/prr:sb