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## FISCAL IMPACT REPORT

SPONSOR: Garcia DATE TYPED: 2/19/03 HB 366  
 SHORT TITLE: Income Tax Credits for Certain Teachers SB \_\_\_\_\_  
 ANALYST: Smith

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(1,225.0)	(1,225.0)	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Responses Received From

TRD

### SUMMARY

#### Synopsis of Bill

House Bill 366 proposes to provide a \$1,000 credit against income tax liability for teachers. To qualify for the credit a taxpayer must be a teacher that has earned a master's degree, and teaches, resides and owns a home in a high school cluster area in which at least 90 percent of the students attending school in the cluster area receive a free or reduced-fee lunch. The credits are refundable; if the credit exceeds the income tax liability, the excess is to be refunded to the taxpayer.

### FISCAL IMPLICATIONS

TRD relied on data provided by the State Department of Education (SDE) which indicate 3,063 teachers work at 116 schools with free or reduced-fee lunches for 90 percent of their students in New Mexico. SDE also reports that approximately 40 percent of the teachers have earned master's degrees or higher. Hence, approximately 1,225 teachers would qualify for the credit provided by the proposed bill. Since the credit is refundable, the \$1.225 million figure shown above is simply the product of \$1,000 and 1,225. The figure may be less due to the requirement that teachers own homes and live in the cluster areas.

SS/yr