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## FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 2/25/03 HB 929

SHORT TITLE: Peace Officer Survivor Benefits Tax Deduction SB \_\_\_\_\_

ANALYST: Smith

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(50.0)	(50.0)	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Responses Received From

TRD

### SUMMARY

#### Synopsis of Bill

House Bill 929 would provide a personal income tax deduction equal to survivor benefits that are not retirement benefits, paid to a taxpayer, or dependent or spouse thereof, who is a peace officer, firefighter, or US armed services member killed in the line of duty.

### FISCAL IMPLICATIONS

According to the Federal Emergency Management Agency website, 102 firefighters were killed in the U.S. in the year 2000.<sup>1</sup> The National Law Enforcement Officers Memorial Fund Inc. website reports that an average of 163 law officers were killed in the line of duty during the past 10 years in the US.<sup>2</sup> The number of armed services members likely to be killed in action annually is uncertain at the moment, but likely to be a very small fraction of the U.S. population. Based on these totals, the number of New Mexico families likely to benefit from the proposal is likely to be less than 50. Annual personal income tax liability of these families due to their survivors'

<sup>1</sup> <http://www.usfa.fema.gov/dhtml/media/01-144.cfm>

<sup>2</sup> <http://www.nleomf.com/WhatsNew/PressReleases/poldeaths02.html>

benefits is likely to be less than \$100 thousand.

**TECHNICAL ISSUES**

It would probably be appropriate to define “peace officer” and “firefighter”. It is not clear, for example, if a security guard that was killed while protecting a retail establishment would qualify for the proposed deduction.

SS/sb