

FISCAL IMPLICATIONS

TRD notes that in fiscal year 2002, post-secondary institutions generated roughly \$36 million in revenue from admissions to athletic and entertainment events. This translated to more than \$1.8 million in GGRT collections. The provisions of this bill allow a non-athletic event sponsored by a student association to be excluded from the GGRT base. Hence, a post-secondary institution could avoid GGRT on receipts from a concert, play or similar activity, simply by including the student association as a nominal “sponsor”. Most of the GGRT revenue from post-secondary institutions is assumed to be derived from athletic event admissions fees, so the potential fiscal impact is limited. The fiscal impact presented above assumes approximately \$6 million will no longer be subject to GGRT.

Governmental gross receipts tax revenue is distributed 75% to NMFA for the public project revolving fund, 15% to the Energy, Minerals and Natural Resources Department (EMNRD) for state park capital improvements, and 10% to EMNRD’s youth conservation corps program.

OTHER SUBSTANTIVE ISSUES

- Student associations are not considered government entities for the purpose of the governmental gross receipts tax. Therefore, no governmental gross receipts tax is owed on receipts accruing to a student association.
- Net receipts attributable to the GGRT totaled nearly \$21 million in fiscal year 2002. Most of the revenue is derived from utilities owned or operated by local governments.

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