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FISCAL IMPACT REPORT

SPONSOR Zanetti DATE TYPED 2/13/04 HJM 45

SHORT TITLE Congressional Ban on Internet Access Taxes SB _____

ANALYST Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		NFI		

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Response Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Joint Memorial 45 establishes a formal request by the legislature of the State of New Mexico that Congress approve a clean, permanent and technologically neutral extension of the Internet tax moratorium, and that copies of this memorial be transmitted to the members of New Mexico's congressional delegation.

FISCAL IMPLICATIONS

The EDD cites the following:

It appears that the existence of a tax free environment on Internet access has assisted in the Internet's rapid growth. However, as the Internet expands, more business services are beginning to converge with Internet technology. Some of these services may be taxable. Congress has debated this issue at length, but has not been able to arrive at a consensus.

SN/Ig