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FISCAL IMPACT REPORT

SPONSOR Carraro DATE TYPED 1/26/04 HB _____

SHORT TITLE Income Tax Credits for Donations to NM Military Institute SB 102

ANALYST Neel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	63.0			Recurring	New Mexico Inst. Scholarship

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	(63.0)	(250.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From:

Taxation and Revenue Department

SUMMARY

Synopsis of Bill

Senate Bill 102 amends statute to enact the “New Mexico Military Institute Scholarship Donation Credit”. The credit is capped at \$250 thousand and maybe claimed for 50 percent of the value donated to the New Mexico Military Institute Scholarship fund. The fund is created in the state treasury and is appropriated to the board of regents at NMMI to provided scholarships to students under the age of eighteen who have a parent imprisoned in a New Mexico correctional facility. The corpus of the fund will not revert to the general fund.

SB 102 provides certification of eligibility to be provided by NMMI that includes donated amounts. Donations made under provisions of SB 102 are excluded from a taxpayers itemized deductions as defined in Section 63 of the Internal Revenue Code. A husband and wife that file separately may qualify for one-half of the NMMISDC allowed if they filed jointly.

FISCAL IMPLICATIONS

TRD's estimate reflects payments for the first six months of tax year 2005, or 25 percent of the full year and an assumption of \$500 thousand annual gifts to NMMI thereafter.

POSSIBLE QUESTIONS

Could the NMMISDC be claimed against corporate income taxes?

How is New Mexico Correctional facility defined? Would this include municipal or county facilities?

SN/yr:prr