

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Silva DATE TYPED 02/27/05 HB 819

SHORT TITLE PROFESSIONAL CONTEST GROSS RECEIPTS SB

ANALYST Padilla-Jackson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	(\$1,200.0)	Similar	Recurring	General Fund
	(\$800.0)	Similar	Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 819 would provide a gross receipts tax exemption for certain professional contests, events and concerts. Eligible receipts include:

- receipts from the promotion and exhibition of professional contests subject to Section 60-2A-23 and Section 60-2A-26, respectively and
- ticket sales or admission fees for professional contests or a live concert held at a venue capable of accommodating at least 2,500 people

The bill also modifies the definition for “professional contest”, as used in the Professional Athletic Competition Act, to include, “automobile racing” or “a one-time professional sporting event”.

The effective date of the bill’s provisions is July 1, 2005.

Significant Issues

TRD notes that, in addition to the athletic events that are subject to the privilege tax collected by the Athletic Commission, the proposal would exempt receipts from a live concert at a venue capable of accommodating at least two thousand five hundred persons. This exempts all concerts at large auditoriums statewide. In the same vein, TRD notes that the bill would reduce the “double-taxation” of some of the eligible receipts in this bill, as they are, and would continue to be, subject to the privilege tax paid to the New Mexico Athletic Commission.

FISCAL IMPLICATIONS

The total fiscal impact of the bill, as per TRD’s analysis, is -\$2 million in FY06, of which -\$1.2 million will impact the general fund and -\$800 thousand will impact local governments.

OPJ/sb