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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/06

SPONSOR Taylor LAST UPDATED \_\_\_\_\_ HB 316

SHORT TITLE Underground Irrigation Tool Gross Receipts SB \_\_\_\_\_

ANALYST Schardin

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	(331.0)		Recurring	General Fund
	(221.0)		Recurring	Local Governments

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB46.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of Bill

House Bill 316 amends Section 7-9-62 NMSA 1978 to expand the definition of agricultural implements that receive a 50 percent deduction from gross receipts tax to include above and below-ground produce irrigation systems that are used at a place where produce is grown.

The effective date of House Bill 316 is July 1, 2006.

### FISCAL IMPLICATIONS

According to TRD, the USDA Census of Agriculture's publication "2003 Farm and Ranch Irrigation Survey," New Mexico farms spent nearly \$17 million on irrigation equipment and machinery in 2003.

**ADMINISTRATIVE IMPLICATIONS**

This bill will have a minimal impact on TRD. CRS-1 instructions and publications will be revised and audit and compliances procedures will be developed.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 316 duplicates Senate Bill 46.

SS/yr