

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 Fox-Young ORIGINAL DATE 2/26/07  
LAST UPDATED 3/07/07 HB 1191/aHBIC  
SHORT TITLE Cigarette Tax Stamp Time Periods SB \_\_\_\_\_  
ANALYST Wilson

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$0.1	\$0.1	\$0.1	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of HBIC Amendment

The House Business & Industry Committee Amendment defines a reasonable time period as 30 days.

#### Synopsis of Original Bill

House Bill 1191 provides that stamps for cigarette packages for excise tax purposes be affixed by distributors within a reasonable time period.

Stamps shall be affixed by the distributor to each package of cigarettes to be sold or distributed in New Mexico within a reasonable time period of receipt of those packages. Current law states that stamps must be affixed by the distributor within ten days.

The effective date of the provisions of this act is July 1, 2007.

### FISCAL IMPLICATIONS

There is no fiscal implication.

### SIGNIFICANT ISSUES

The provisions in this bill will make it harder for Taxation and Revenue staff to enforce the cigarette excise tax as this bill makes the affixing of stamps requirements rather vague.

**ALTERNATIVES**

If distributors are having legitimate difficulties meeting the ten day requirement, the bill could be amended to a longer number of days or could provide for exceptions.

**POSSIBLE QUESTIONS**

What is the definition of reasonable time? Is it more than the current ten days?

DW/nt