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FISCAL IMPACT REPORT

ORIGINAL DATE 2/21/07

SPONSOR Fox-Young LAST UPDATED 2/22/07 HB HM 32

SHORT TITLE Permanently Abolish Death Tax SB _____

ANALYST Francis

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Memorial 32 would send a message from the NM House of Representatives to the US Congressional delegation in support of permanently repealing the estate tax.

SIGNIFICANT ISSUES

To date, there has been little evidence that small farms and businesses have been forced to be liquidated because of the estate tax. According to a study by Citizens for Tax Justice, a progressive tax policy advocacy group in Washington, based on 2004 IRS data, only 100 New Mexicans paid any estate tax in 2003, comprising 0.7 percent of all estates. In the 90s when the limits were much lower, only 1.3 percent of estates were subject to the tax. Under current law, only estates greater than \$2 million (for tax years 2006-2008) are subject to the tax, less than 2 percent nationwide.

The current federal estate tax will be repealed in 2010 but the repeal expires in 2011 at which point the estate tax as it was in 2001 will be restored.

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