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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/07
 LAST UPDATED 3/15/07 HB _____

SPONSOR Taylor

SHORT TITLE Tolling Time Limit For Tax Court Action SB 343/aSFL#1/aHTRC

ANALYST Francis

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	NFI		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB795

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy Minerals and Natural Resources (EMNR)
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HTRC amendment

The House Taxation and Revenue Committee struck the Senate Floor Amendment to Senate Bill 343, restoring the bill to its original state.

Synopsis of SFL #1

Senate Bill 343 was amended on the Senate Floor to expand the credit to limited liability companies or business associations. This would allow builders and developers to take advantage of the credit.

Synopsis of Original Bill

Senate Bill 343 makes several technical corrections to the tax statutes:

- Section 1: In the section of the statute governing the secretary of the Taxation and

Revenue Department's (TRD) subpoena power, the amendment clarifies that any timeline for establishing a taxpayer's liability is suspended while the Secretary's subpoena is challenged in court. Current law only refers to a subpoena issued by a court.

- Section 2: allows individuals who have apportioned income ("B filers") or who are not domiciled in NM to use the number of federal exemptions without modification to determine the amount of LICTR.
- Section 3: Clarifies that a married couple filing separately cannot both claim the full amount of the solar market development credit.
- Section 4: Includes the corporate income tax in TRD's scope for intercepting tax refunds for taxpayers with debts to another agency that has asked TRD for assistance.
- Section 5: Corrects language that used the word "six" to refer to a list of seven items.

FISCAL IMPLICATIONS

The amendment restoring the original cancels the fiscal impact that resulted when solar systems purchased by businesses were included.

The technical corrections have no fiscal impact. For the solar market development credit, it was assumed in original estimates that married filing separately filers would only receive one credit. The Senate Floor amendment may increase the adoption schedule of solar systems which may increase the amount of credits claimed in FY08.

NF/mt