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FISCAL IMPACT REPORT

ORIGINAL DATE 2/25/07
 LAST UPDATED 2/26/07 HB _____

SPONSOR Taylor, J.G.

SHORT TITLE Municipality Gross Receipts Uses & Elections SB 938

ANALYST Schardin

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	See Narrative		Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 938 authorizes the a majority of members of municipal and county governing bodies to impose new local option gross receipts taxes, the municipal recreation gross receipts tax and the county recreation gross receipts tax. The taxes may be imposed in 1/16 percent increments of up to 0.25 percent in each municipality and county. Imposition of the taxes will require approval by a majority of a municipality or county's voters.

Revenues collected from the new taxes will be restricted to use for acquiring, constructing, purchasing, improving, operating, maintaining, staffing, or marketing public parks or public recreational buildings or facilities. The bill will allow issuance of bonds repayable with revenues from the new tax. If bonds are issued, recreational gross receipts tax revenues will be restricted for bond payments or the other costs described above. At least 10 percent of revenues collected must be used to repair, renovate or operate existing park facilities.

The effective date of these provisions will be July 1, 2007.

FISCAL IMPLICATIONS

The fiscal impact of the new taxes depends on if, when, and at what increment New Mexico municipalities and counties choose to impose the new taxes. The tables below illustrate the additional revenue that may be generated in each county and municipality from imposing an additional 0.25 percent tax. The bill authorizes counties and municipalities to collect an additional \$124.5 million and \$98.3 million, respectively.

	FY 2008 Taxable Gross Receipts	Revenue from Additional 14% Tax
Bernalillo County	\$18,007,800,533	\$45,019,501
Catron County	\$45,398,509	\$113,496
Chaves County	\$1,288,243,597	\$3,220,609
Cibola County	\$221,462,045	\$553,655
Colfax County	\$320,643,295	\$801,608
Curry County	\$893,731,953	\$2,234,330
DeBaca County	\$45,206,628	\$113,017
Dona Ana County	\$3,583,835,026	\$8,959,588
Eddy County	\$2,695,714,130	\$6,739,285
Grant County	\$535,737,390	\$1,339,343
Guadalupe County	\$284,455,853	\$711,140
Harding County	\$6,171,312	\$15,428
Hidalgo County	\$94,012,098	\$235,030
Lea County	\$3,133,096,430	\$7,832,741
Lincoln County	\$555,456,255	\$1,388,641
Los Alamos County	\$914,176,908	\$2,285,442
Luna County	\$498,746,830	\$1,246,867
McKinley County	\$1,103,313,383	\$2,758,283
Mora County	\$22,916,717	\$57,292
Otero County	\$868,728,115	\$2,171,820
Quay County	\$107,209,748	\$268,024
Rio Arriba County	\$691,702,965	\$1,729,257
Roosevelt County	\$348,126,854	\$870,317
San Juan County	\$4,310,992,010	\$10,777,480
San Miquel County	\$336,084,200	\$840,211
Sandoval County	\$2,396,433,606	\$5,991,084
Santa Fe County	\$4,189,459,380	\$10,473,648
Sierra County	\$174,862,825	\$437,157
Socorro County	\$268,437,579	\$671,094
Taos County	\$710,489,941	\$1,776,225
Torrance County	\$164,692,727	\$411,732
Union County	\$83,209,858	\$208,025
<u>Valencia County</u>	<u>\$898,587,912</u>	<u>\$2,246,470</u>
TOTAL	\$49,799,136,612	\$124,497,842

Municipality	FY2008 Taxable Gross Receipts	Additional GRT From 1/4% Tax	Municipality	FY2008 Taxable Gross Receipts	Additional GRT From 1/4% Tax
Alamogordo	649,276,248	1,623,191	Lake Arthur	1,437,222	3,593
Albuquerque	15,857,185,763	39,642,964	Las Cruces	2,689,528,453	6,723,821
Angel Fire	62,377,897	155,945	Las Vegas	274,695,213	686,738
Artesia	734,584,517	1,836,461	Logan	16,844,581	42,111
Aztec	146,782,037	366,955	Lordsburg	54,212,549	135,531
Bayard	24,655,733	61,639	Los Alamos	918,402,933	2,296,007
Belen	210,091,680	525,229	Los Lunas	522,484,970	1,306,212
Bernalillo	153,982,787	384,957	Los Ranchos de Albuq.	115,889,960	289,725
Bloomfield	222,091,267	555,228	Loving	5,819,707	14,549
Bosque Farms	49,261,295	123,153	Lovington	194,794,893	486,987
Capitan	16,620,251	41,551	Magdalena	6,609,444	16,524
Carlsbad	647,619,016	1,619,048	Maxwell	1,876,155	4,690
Carrizozo	8,693,356	21,733	Melrose	5,129,146	12,823
Causey	405,805	1,015	Mesilla	39,534,582	98,836
Chama	28,706,694	71,767	Milan	29,090,373	72,726
Cimarron	10,532,272	26,331	Moriarty	77,176,313	192,941
Clayton	40,263,087	100,658	Mosquero	812,311	2,031
Cloudcroft	23,238,096	58,095	Mountainair	9,458,232	23,646
Clovis	767,322,483	1,918,306	Pecos	9,404,376	23,511
Columbus	8,456,390	21,141	Portales	195,240,013	488,100
Corona	1,605,485	4,014	Questa	16,665,739	41,664
Corrales	138,392,661	345,982	Raton	145,630,439	364,076
Cuba	34,392,859	85,982	Red River	35,206,129	88,015
Deming	255,006,788	637,517	Reserve	9,726,107	24,315
Des Moines	3,894,433	9,736	Rio Rancho	1,781,075,244	4,452,688
Dexter	23,659,945	59,150	Roswell	1,052,997,939	2,632,495
Dora	11,344,921	28,362	Roy	4,607,160	11,518
Eagle Nest	6,970,647	17,427	Ruidoso	265,240,242	663,101
Edgewood	90,871,768	227,179	Ruidoso Downs	100,411,489	251,029
Elephant Butte	24,771,067	61,928	San Jon	3,023,885	7,560
Elida	8,384,163	20,960	San Ysidro	4,244,586	10,611
Encino	717,495	1,794	Santa Clara (Central)	3,237,931	8,095
Espanola	349,069,084	872,673	Santa Fe	3,340,296,013	8,350,740
Estancia	3,150,359	7,876	Santa Rosa	71,819,802	179,550
Eunice	136,646,171	341,615	Silver City	314,402,040	786,005
Farmington	2,446,279,887	6,115,700	Socorro	176,739,901	441,850
Floyd	1,806,662	4,517	Springer	10,218,014	25,545
Folsom	976,778	2,442	Sunland Park	143,459,105	358,648
Fort Sumner	14,289,626	35,724	Taos	420,175,082	1,050,438
Gallup	695,003,680	1,737,509	Taos Ski Valley	22,064,097	55,160
Grady	640,237	1,601	Tatum	14,393,101	35,983
Grants	154,412,263	386,031	Texico	6,853,415	17,134
Grenville	132,640	332	Tijeras	29,054,081	72,635
Hagerman	9,959,335	24,898	Truth or Consequences	106,829,962	267,075
Hatch	25,690,363	64,226	Tucumcari	107,043,592	267,609
Hobbs	1,783,821,330	4,459,553	Tularosa	18,934,163	47,335
Hope	2,272,527	5,681	Vaughn	9,314,743	23,287
House	3,237,335	8,093	Viriden	1,994,172	4,985
Hurley	2,208,930	5,522	Wagon Mound	843,954	2,110
Jal	30,775,173	76,938	Willard	2,051,671	5,129
Jemez Springs	4,458,325	11,146	Williamsburg	2,399,557	5,999
		Total TGR		39,316,384,394	
		Total Additional GRT			98,290,961

SIGNIFICANT ISSUES

Under current law, New Mexico’s local governments are authorized to impose up to 4.6875 percent of local option gross receipts taxes (that figure excludes several additional local option taxes that have been authorized for selected local governments). On average, a local option gross receipts tax of about 1.6 percent is actually imposed by local governments statewide. Combined with the state gross receipts tax of 5 percent, the statewide tax rate is therefore 6.6 percent. The proposal would allow for gross receipts tax rates to rise by 0.25 percent in unincorporated areas

of New Mexico counties and as much as 0.5 percent in New Mexico municipalities.

ADMINISTRATIVE IMPLICATIONS

The bill will create minimal administrative impacts on TRD.

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