

underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 320

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO TAX ADMINISTRATION; REQUIRING THE SECRETARY OF
TAXATION AND REVENUE TO DEVELOP A TAX EXPENDITURE BUDGET;
REQUIRING REPORTING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Tax Administration Act is
enacted to read:

"[NEW MATERIAL] TAX EXPENDITURE BUDGET--MANDATORY REPORT--
DEADLINE.--

A. No later than October 15 of each year, the
secretary shall compile a tax expenditure budget for the
upcoming fiscal year and present the tax expenditure budget,
including an analysis of tax expenditures, to the governor and
the legislative finance committee. The tax expenditure budget
shall report on tax expenditures with revenue impacts of more

underscoring material = new
[bracketed material] = delete

1 than one million dollars (\$1,000,000) in the aggregate for a
2 specific tax expenditure.

3 B. A tax expenditure budget shall detail the
4 approximate costs in foregone revenue from tax expenditures.

5 A tax expenditure budget shall:

6 (1) include a projection of the costs of tax
7 expenditures for all significant general fund revenue sources;

8 (2) identify each tax expenditure and its
9 statutory basis, purpose, year of enactment and date of repeal,
10 if any;

11 (3) quantify the revenue lost to the state
12 from each tax expenditure;

13 (4) identify to the extent possible the
14 beneficiaries of each tax expenditure, including the number of
15 businesses that used the tax expenditure and the number of
16 businesses that potentially qualified for but failed to use the
17 tax expenditure;

18 (5) identify unintended consequences of the
19 tax expenditure that have come to the attention of the
20 department; and

21 (6) provide a total of all of the costs in
22 each fiscal year for all tax expenditures.

23 C. The department is authorized to request from a
24 state agency or a local government agency official information
25 necessary to complete the tax expenditure budget required by

.175678.1

underscoring material = new
[bracketed material] = delete

1 this section. An agency or official shall comply with a
2 request made pursuant to this section by the department.

3 D. As used in this section:

4 (1) "significant general fund revenue
5 sources" means state taxes, including the gross receipts tax,
6 compensating tax, corporate income tax, personal income tax,
7 tobacco excise tax, liquor excise tax, taxes levied on natural
8 resource production and sale, motor vehicle excise tax, gaming
9 excise tax and other sources of revenue such as rents and
10 royalties, tribal revenue sharing, fire protection fund
11 reversions, premium taxes and the leased vehicle surcharge;

12 (2) "tax expenditure" means a deduction, credit,
13 exemption, exclusion, preferential tax rate, subtraction or
14 allowance that reduces tax liability when compared with a
15 normal tax system as determined by the secretary; and

16 (3) "tax expenditure budget" means a
17 compilation of information about New Mexico's tax expenditures
18 that includes data from the three years preceding the current
19 fiscal year, the current fiscal year and the upcoming fiscal
20 year."