

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

ORIGINAL DATE 03/02/10
LAST UPDATED 03/03/10 **HB** _____

SPONSOR SFC

SHORT TITLE Food Tax, Gross Receipts and Distributions **SB** 10, 12, &13/SFCS

ANALYST Gutierrez/Clifford

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY10	FY11	FY12		
	\$139,470.0	\$152,450.0	Recurring	General Fund – GRT & Compensating Tax Provisions
\$8,000.0	\$66,000.0	\$47,000.0	Recurring	General Fund – Personal Income Tax Provision
	(\$5,310.0)	(\$5,390.0)	Recurring	General Fund – Low-Income tax rebate
\$8,000.0	\$200,160.0	\$194,060.0	Recurring	General Fund – TOTAL
	\$3,204.0	\$3,535.0	Recurring	Counties
	(\$573.0)	(\$3,678.0)	Recurring	Municipalities
	\$105.0	\$115.0	Recurring	Tax Increment Development Districts
	\$20.0	\$21.0	Recurring	Aviation Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Gross receipts and compensating tax provisions:

The Senate Finance Committee substitute for Senate Bill 12 increases the state gross receipts and compensating tax rate to 5.125 percent. This bill also repeals the food deduction but creates a 5.125 percent credit for food so that only local tax rates will apply to food at an average tax rate

of slightly over 2 percent. The state would discontinue that portion of local government hold harmless distributions that are attributable to local option taxes. However, the state would continue to make a separate hold harmless distribution to municipalities equal to 1.225 percent of food sales for which a tax credit is claimed. The rate of this distribution would decrease in FY12 to 1.05 percent. This bill also amends the compensating tax, to impose the tax on purchases that are not subject to the gross receipts tax only because the seller does not have nexus with the state. The effective date of this bill's gross receipts and compensating tax provisions is July 1, 2010.

Personal income tax provisions:

The Senate Finance Committee substitute for Senate Bill 13 reduces income tax deductions by the amount of state and local income and sales taxes taxpayers would otherwise be allowed to claim. The result is that state and local taxes deducted on the taxpayers' federal tax returns will be added back into net income for the purposes of determining state income tax liability. The bill also allows a deduction for any refunds of state income or sales tax that were included in the taxpayer's adjusted gross income. A temporary provision would prevent taxpayers from being penalized if their current tax payments are not sufficient to cover their increased liabilities resulting from the provisions in the bill. Provisions apply to tax years 2010 and subsequent.

Low-Income comprehensive tax rebate:

The Senate Finance Committee substitute for Senate Bill 10 increases the amount of the Low-Income Comprehensive Tax Rebate and also increases the income levels of taxpayers eligible for the rebate. Provisions apply to tax years beginning on or after January 1, 2010.

FISCAL IMPLICATIONS

Gross receipts tax provisions:

This estimate uses the December 2009 consensus estimate of taxable gross receipts (TGR). According to that estimate, TGR will be \$46.32 billion in FY11, \$48.99 billion in FY12, \$51.26 billion in FY13 and \$53.47 billion in FY14. The compensating tax base is estimated to be \$1.58 billion in FY11, \$1.66 billion in FY12, \$1.75 billion in FY13, and \$1.83 billion in FY14. This estimate also assumes the current 3.25 percent administrative fee continues into the future. Although TRD has assumed a larger estimate for general fund revenue from fixing the compensating tax loophole, LFC believes there is a large uncertainty to this revenue and thus we do not adjust the number up as high as TRD.

General Fund Impact (\$ in millions)	<u>FY11</u>	<u>FY12</u>
Increase Gross Receipts Tax rate by 0.125%	\$57.90	\$61.20
Increase Compensating Tax rate by 0.125%	\$1.97	\$2.08
Fix compensating tax loophole	\$11.60	\$12.20
Hold harmless food deduction repeal	\$68.00	\$71.29
Reduce 1.225% food hold harmless distribution to 1.05%	\$0.00	\$5.68
TOTAL GENERAL FUND	\$139.47	\$152.45

Personal income tax provisions:

According to TRD, the revenue estimate was derived using 2007 federal tax return data for New Mexico households published by the IRS Statistics of Income (SOI) Division. Taxpayers’ itemized deductions were reduced by the estimated portion attributable to state and local taxes. In addition, taxpayers’ gross income was reduced by estimated state and local income tax refunds. The revised values were then run through the Department’s tax year simulation model and then increased to 2010 levels using the personal income growth forecast. In general, tax year liability changes were converted to fiscal year revenue estimates by applying historical payment patterns to tax year liabilities. In fiscal year 2010 the only adjustment made by taxpayers would be a partial adjustment to estimated payments.

Low-Income comprehensive tax rebate:

TRD notes:

A simulation model was used to estimate tax liability at 2007 income levels (the most recent year for which complete tax return data is available). Population growth factors were used to increase the liability estimates to the relevant income levels. Calendar year liabilities were converted to fiscal years by assuming the tax rebate would be claimed on taxpayers’ tax returns. The fiscal impacts have been increased to reflect the sharp rise in the unemployment rate over the last year.

Modified Gross Income		Proposed benefit per return						
		Total number of exemptions is:						
Over	But not over	1	2	3	4	5	6 or more	
	\$0	\$145	\$210	\$270	\$335	\$380	\$455	
	\$1,001	\$145	\$210	\$270	\$335	\$380	\$490	
	\$2,001	\$145	\$210	\$270	\$335	\$385	\$490	
	\$3,001	\$145	\$210	\$270	\$335	\$385	\$490	
	\$4,001	\$145	\$210	\$270	\$335	\$385	\$490	
	\$5,001	\$125	\$190	\$250	\$320	\$385	\$490	
	\$6,001	\$100	\$145	\$190	\$245	\$305	\$410	
	\$7,001	\$90	\$130	\$165	\$205	\$255	\$335	
	\$8,001	\$80	\$120	\$155	\$195	\$225	\$280	
	\$9,001	\$75	\$110	\$135	\$170	\$205	\$245	
	\$10,001	\$70	\$95	\$120	\$155	\$185	\$225	
	\$11,001	\$65	\$85	\$110	\$135	\$165	\$200	
	\$12,001	\$60	\$80	\$105	\$125	\$145	\$180	
	\$13,001	\$60	\$80	\$105	\$125	\$145	\$180	
	\$14,001	\$55	\$75	\$95	\$115	\$135	\$160	
	\$15,001	\$50	\$75	\$90	\$110	\$125	\$150	
	\$16,001	\$45	\$70	\$85	\$105	\$115	\$145	
	\$17,001	\$40	\$60	\$80	\$95	\$110	\$135	
	\$18,001	\$35	\$50	\$70	\$85	\$100	\$120	
	\$19,001	\$30	\$45	\$60	\$75	\$90	\$105	
	\$20,001	\$25	\$40	\$50	\$65	\$80	\$95	
	\$21,001	\$20	\$35	\$45	\$60	\$70	\$85	
	\$22,001	\$10	\$30	\$40	\$50	\$60	\$70	
	\$23,001	\$10	\$20	\$30	\$40	\$50	\$60	

Modified Gross Income		Change in benefit per return						
Over	But not over	Total number of exemptions is:						
		1	2	3	4	5	6	
	\$0	\$1,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$1,001	\$2,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$2,001	\$3,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$3,001	\$4,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$4,001	\$5,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$5,001	\$6,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$6,001	\$7,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$7,001	\$8,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$8,001	\$9,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$9,001	\$10,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$10,001	\$11,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$11,001	\$12,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$12,001	\$13,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$13,001	\$14,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$14,001	\$15,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$15,001	\$16,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$16,001	\$17,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$17,001	\$18,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$18,001	\$19,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$19,001	\$20,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$20,001	\$21,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$21,001	\$22,000	\$10	\$15	\$20	\$25	\$30	\$40
	\$22,001	\$23,000	\$10	\$30	\$40	\$50	\$60	\$70
	\$23,001	\$24,000	\$10	\$20	\$30	\$40	\$50	\$60

SIGNIFICANT ISSUES

Gross receipts and compensating tax provisions:

HISTORY OF STATE RATE

- July 1, 1990 to present - 5.0%
- July 1, 1986 through June 30, 1990 - 4.75%
- July 1, 1983 through June 30, 1986 - 3.75%
- July 1, 1981 through June 30, 1983 - 3.5%
- July 1, 1978 through June 30, 1981 - 3.75%
- Before July 1, 1978 - 4.0%

In addition to the current state gross receipts tax rate of 5 percent, New Mexico’s municipalities and counties are authorized to impose over 4 percent of local option gross receipts taxes (that figure excludes several additional local option taxes that have been authorized for selected local governments). Due to increasing imposition of local option taxes, the statewide gross receipts tax rate is increasing steadily. On average, a local option gross receipts tax of about 2.07 percent was imposed by local governments statewide in FY09. Combined with the state gross receipts tax of 5 percent, the weighted average statewide tax rate was therefore 7.07 percent in FY09. Assuming no other local option taxes are imposed during this time, this bill would increase the average statewide gross receipts tax rate to 7.32 percent (see Attachment 2 for current local option tax rates).

TRD:

Compensating tax loophole example:

Example of Problem: If a business buys a backup generator from a New Mexico seller down the street the gross receipts tax will be paid. If the business buys the

generator in Colorado and brings it back into New Mexico they will pay the compensating tax. But there’s a loophole, if they get the generator shipped into New Mexico by a seller without physical presence in New Mexico neither the compensating nor gross receipts tax will be collected.

Fix: This bill redefines when the compensating tax can be applied – to ensure that tangible personal property acquired from out-of-state sellers without physical presence in New Mexico is subject to the state’s compensating tax. The bill conforms with the Commerce Clause of the US Constitution and recent New Mexico court decisions governing the applicability of the compensating and gross receipts taxes.

Personal income tax provisions:

New Mexico currently allows the same itemized deductions as allowed for federal income tax purposes, including the deduction for state and local taxes. Deductible taxes include income taxes, property taxes and, under certain circumstances, sales taxes. The federal deduction can be justified as a way of cost-sharing for the cost of state and local government services. The justification for allowing the same deduction for state income tax purposes is less clear.

According to published IRS data for 2007, \$1.4 billion in state & local taxes were deducted by New Mexico residents. Roughly two-thirds were income taxes, 31 percent were property taxes and the remaining 2.5 percent were sales taxes. Since property taxes are primarily a local government revenue, the cost-sharing argument would apply to this portion. In other words, by allowing this deduction, the state is effectively absorbing a portion of the costs of local government services. This rationale does not apply to the income tax portion of the deduction, however, because that revenue is exclusively state revenue. Thus, allowing the deduction merely reduces the effective rate of state income tax for taxpayers who itemize. This policy provides ease of compliance for taxpayers, but one consequence is a reduction in the effective income tax rate for households that itemize deductions relative to households that do not itemize.

TRD provided the following table showing the distribution of annual revenue impacts by income group.

**Distribution of Change in Tax Year 2010 Tax Liability
(2007 Income Levels)**

Adjusted Gross Income	Number of Affected Returns	Change in Tax Liability		
		Total (\$000)	Average	Percent Distribution
Under 50,000	55,347	1,894	34	4.0%
50,000 - 75,000	57,644	5,030	87	10.7%
75,000 - 100,000	43,643	5,742	132	12.2%
100,000 - 200,000	60,886	13,860	228	29.4%
200,000 - 500,000	18,324	8,805	481	18.7%
500,000 or more	8,776	11,788	1,343	25.0%
Total	244,620	47,119	193	100.0%

Only five other states follow federal provisions that allow either state and local income taxes or state and local sales taxes to be claimed as itemized deductions. However, 11 states that do not allow deductions for state and local income taxes do permit deductions for sales taxes that were deducted for federal tax purposes.

States that allow deduction for state and local taxes

Arizona	Oklahoma
Hawaii	Rhode Island
New Mexico	Vermont

States that allow deduction for state sales tax

Delaware	Nebraska
Iowa	New York
Kansas	North Dakota
Maryland	Utah
Missouri	Virginia
Montana	

Source: Wisconsin Legislative Fiscal Bureau

Low-Income comprehensive tax rebate:

The Low-Income Comprehensive Tax Rebate or “LICTR” was last increased in 1998. LICTR is claimed on approximately 270,000 tax returns every year representing over 500,000 individuals. Present law revenue foregone through the LICTR is about \$26 million per year.

ADMINISTRATIVE IMPLICATIONS

Gross receipts and compensating tax provisions:

TRD notes the administrative complexity of this bill is above average and will also require significant effort to educate the tax payers and retailers in order to ensure a smooth transition.

OTHER SUBSTANTIVE ISSUES

Gross receipts and compensating tax provisions:

New Mexico’s GRT is imposed on a wider array of goods and services than the sales taxes of most other states. One consequence is that many business-to-business transactions are taxed, a procedure often termed “pyramiding”. This practice increases overhead for New Mexico businesses, and may put them at a disadvantage when competing with businesses in other states. In addition, small businesses that purchase more of their inputs from other firms will experience a larger tax burden, placing them at a disadvantage with larger businesses. Estimates have put the share of the GRT imposed on business-to-business transactions between one-third and one-half of the total tax base.

To the extent that the GRT is shifted forward to consumers in the form of higher prices, the incidence of the tax may fall more heavily on low income households than on higher income households. Evidence for this impact is limited, since the ultimate incidence of tax imposed on business-to-business transactions is difficult to predict or measure.

ALTERNATIVES

Personal income tax provisions:

Under current federal law, a new limitation on total itemized deductions for very high income households will take effect in 2011. In order to treat those households fairly who experience a reduction in their total itemized deductions, the proposal might be modified so that the state and local tax deduction being disallowed is reduced pro rata with the reduced total itemized deductions for federal purposes.

TC:BLG/svb

The Legislative Finance Committee has adopted the following principles to guide responsible and effective tax policy decisions:

- 1. Adequacy:*** revenue should be adequate to fund government services.
- 2. Efficiency:*** tax base should be as broad as possible to minimize rates and the structure should minimize economic distortion and avoid excessive reliance on any single tax.
- 3. Equity:*** taxes should be fairly applied across similarly situated taxpayers and across taxpayers with different income levels.
- 4. Simplicity:*** taxes should be as simple as possible to encourage compliance and minimize administrative and audit costs.
- 5. Accountability/Transparency:*** Deductions, credits and exemptions should be easy to monitor and evaluate and be subject to periodic review.

More information about the LFC tax policy principles will soon be available on the LFC website at www.nmlegis.gov/lcs/lfc

Local Option Tax Rates as of January 1, 2010				
	City Imposed Rate	County Imposed Rate	Total Local Rate	Total Tax Rate*
Bernalillo County	0.0000%	0.9375%	0.9375%	5.9375%
Albuquerque	0.8125%	0.8125%	1.6250%	6.6250%
Los Ranchos de Albuquerque	1.1250%	0.8125%	1.9375%	6.9375%
Rio Rancho (part)	1.4375%	0.8125%	2.2500%	7.2500%
Tijeras	1.0000%	0.8125%	1.8125%	6.8125%
Catron County	0.0000%	0.5000%	0.5000%	5.5000%
Reserve	1.4375%	0.3750%	1.8125%	6.8125%
Chaves County	0.0000%	0.9375%	0.9375%	5.9375%
Dexter	1.2500%	0.5625%	1.8125%	6.8125%
Hagerman	1.4375%	0.5625%	2.0000%	7.0000%
Lake Arthur	0.7500%	0.5625%	1.3125%	6.3125%
Roswell	1.4375%	0.5625%	2.0000%	7.0000%
Cibola County	0.0000%	1.5625%	1.5625%	6.5625%
Grants	1.8125%	1.0625%	2.8750%	7.8750%
Milan	1.4375%	1.0625%	2.5000%	7.5000%
Colfax County	0.0000%	0.6250%	0.6250%	5.6250%
Angel Fire	2.0625%	0.2500%	2.3125%	7.3125%
Cimarron	1.4375%	0.2500%	1.6875%	6.6875%
Eagle Nest	1.8125%	0.2500%	2.0625%	7.0625%
Maxwell	0.5000%	0.2500%	0.7500%	5.7500%
Raton	2.5625%	0.2500%	2.8125%	7.8125%
Springer	1.4375%	0.2500%	1.6875%	6.6875%
Curry County	0.0000%	0.7500%	0.7500%	5.7500%
Clovis	1.8125%	0.6250%	2.4375%	7.4375%
Grady	0.9375%	0.6250%	1.5625%	6.5625%
Melrose	1.5000%	0.6250%	2.1250%	7.1250%
Texico	1.5625%	0.6250%	2.1875%	7.1875%
DeBaca County	0.0000%	1.1875%	1.1875%	6.1875%
Fort Sumner	1.4375%	0.8125%	2.2500%	7.2500%
Dona Ana County	0.0000%	1.2500%	1.2500%	6.2500%
Hatch	1.4375%	0.8750%	2.3125%	7.3125%
Las Cruces	1.5625%	0.8750%	2.4375%	7.4375%
Mesilla	1.8125%	0.8750%	2.6875%	7.6875%
Sunland Park	1.4375%	0.8750%	2.3125%	7.3125%
Eddy County	0.0000%	0.6250%	0.6250%	5.6250%
Artesia	1.8125%	0.2500%	2.0625%	7.0625%
Carlsbad	2.0625%	0.2500%	2.3125%	7.3125%
Hope	1.2500%	0.2500%	1.5000%	6.5000%
Loving	1.4375%	0.2500%	1.6875%	6.6875%

Local Option Tax Rates as of January 1, 2010				
	City Imposed Rate	County Imposed Rate	Total Local Rate	Total Tax Rate*
Grant County	0.0000%	1.0625%	1.0625%	6.0625%
Bayard	1.4375%	0.6875%	2.1250%	7.1250%
Santa Clara	1.4375%	0.6875%	2.1250%	7.1250%
Hurley	1.4375%	0.6875%	2.1250%	7.1250%
Silver City	1.5625%	0.6875%	2.2500%	7.2500%
Guadalupe County	0.0000%	1.3125%	1.3125%	6.3125%
Santa Rosa	1.8125%	1.0625%	2.8750%	7.8750%
Vaughn	1.3125%	1.0625%	2.3750%	7.3750%
Harding County	0.0000%	0.6250%	0.6250%	5.6250%
Mosquero (part)	1.0625%	0.3750%	1.4375%	6.4375%
Roy	1.4375%	0.3750%	1.8125%	6.8125%
Hidalgo County	0.0000%	0.9375%	0.9375%	5.9375%
Lordsburg	1.5625%	0.8125%	2.3750%	7.3750%
Virden	0.7500%	0.8125%	1.5625%	6.5625%
Lea County	0.0000%	0.3750%	0.3750%	5.3750%
Eunice	1.4375%	0.2500%	1.6875%	6.6875%
Hobbs	1.4375%	0.2500%	1.6875%	6.6875%
Jal	1.4375%	0.2500%	1.6875%	6.6875%
Lovington	1.3750%	0.2500%	1.6250%	6.6250%
Tatum	1.4375%	0.2500%	1.6875%	6.6875%
Lincoln County	0.0000%	0.3750%	0.3750%	5.3750%
Capitan	1.4375%	0.2500%	1.6875%	6.6875%
Carrizozo	1.6250%	0.2500%	1.8750%	6.8750%
Corona	1.5625%	0.2500%	1.8125%	6.8125%
Ruidoso	3.0625%	0.2500%	3.3125%	8.3125%
Ruidoso Downs	1.5625%	0.2500%	1.8125%	6.8125%
Los Alamos (county and city)	1.4375%	0.7500%	2.1875%	7.1875%
Luna County	0.0000%	1.3750%	1.3750%	6.3750%
Columbus	1.4375%	1.0000%	2.4375%	7.4375%
Deming	1.3750%	1.0000%	2.3750%	7.3750%
McKinley County	0.0000%	1.6250%	1.6250%	6.6250%
Gallup	1.0813%	1.1250%	2.2063%	7.2063%
Mora County	0.0000%	0.8125%	0.8125%	5.8125%
Wagon Mound	1.3750%	0.4375%	1.8125%	6.8125%
Otero County	0.0000%	0.8125%	0.8125%	5.8125%
Alamogordo	2.0625%	0.4375%	2.5000%	7.5000%
Cloudcroft	1.8125%	0.4375%	2.2500%	7.2500%
Tularosa	1.8125%	0.4375%	2.2500%	7.2500%

Local Option Tax Rates as of January 1, 2010				
	City Imposed Rate	County Imposed Rate	Total Local Rate	Total Tax Rate*
Quay County	0.0000%	1.3125%	1.3125%	6.3125%
House	1.4375%	1.1875%	2.6250%	7.6250%
Logan	1.8125%	1.1875%	3.0000%	8.0000%
San Jon	1.8125%	1.1875%	3.0000%	8.0000%
Tucumcari	1.8125%	1.1875%	3.0000%	8.0000%
Rio Arriba County	0.0000%	1.1875%	1.1875%	6.1875%
Chama	1.8125%	0.8125%	2.6250%	7.6250%
Espanola (part)	2.0625%	0.8125%	2.8750%	7.8750%
Roosevelt County	0.0000%	1.0625%	1.0625%	6.0625%
Causey	0.5000%	1.0625%	1.5625%	6.5625%
Dora	0.7500%	1.0625%	1.8125%	6.8125%
Elida	1.3125%	1.0625%	2.3750%	7.3750%
Floyd	0.5000%	1.0625%	1.5625%	6.5625%
Portales	1.5625%	0.0106%	1.5731%	6.5731%
Sandoval County	0.0000%	1.1250%	1.1250%	6.1250%
Bernalillo	1.5625%	0.3750%	1.9375%	6.9375%
Corrales	1.6875%	0.3750%	2.0625%	7.0625%
Cuba	2.3125%	0.3750%	2.6875%	7.6875%
Jemez Springs	1.4375%	0.3750%	1.8125%	6.8125%
Rio Rancho (part)	0.0169%	0.3750%	0.3919%	5.3919%
San Ysidro	1.2500%	0.3750%	1.6250%	6.6250%
San Juan County	0.0000%	1.1875%	1.1875%	6.1875%
Aztec	1.8125%	0.8125%	2.6250%	7.6250%
Bloomfield	1.7500%	0.8125%	2.5625%	7.5625%
Farmington	1.1875%	0.8125%	2.0000%	7.0000%
San Miguel County	0.0000%	1.3750%	1.3750%	6.3750%
Las Vegas	1.8125%	0.8750%	2.6875%	7.6875%
Mosquero (part)	1.0625%	0.8750%	1.9375%	6.9375%
Pecos	1.4375%	0.8750%	2.3125%	7.3125%
Santa Fe County	0.0000%	1.5000%	1.5000%	6.5000%
Edgewood	1.5000%	1.2500%	2.7500%	7.7500%
Espanola (part)	2.0625%	1.2500%	3.3125%	8.3125%
Santa Fe	1.8125%	1.2500%	3.0625%	8.0625%
Sierra County	0.0000%	1.1875%	1.1875%	6.1875%
Elephant Butte	1.3125%	1.0625%	2.3750%	7.3750%
Truth or Consequences	1.4375%	1.0625%	2.5000%	7.5000%
Williamsburg	1.3750%	1.0625%	2.4375%	7.4375%
Socorro County	0.0000%	0.8125%	0.8125%	5.8125%
Magdalena	1.3125%	0.4375%	1.7500%	6.7500%
Socorro	1.4375%	0.4375%	1.8750%	6.8750%

Local Option Tax Rates as of January 1, 2010				
	City Imposed Rate	County Imposed Rate	Total Local Rate	Total Tax Rate*
Taos County	0.0000%	2.0000%	2.0000%	7.0000%
Questa	1.5625%	1.5000%	3.0625%	8.0625%
Red River	1.8125%	1.5000%	3.3125%	8.3125%
Taos	1.5625%	1.5000%	3.0625%	8.0625%
Taos Ski Valley	2.0625%	1.5000%	3.5625%	8.5625%
Torrance county	0.0000%	1.3750%	1.3750%	6.3750%
Encino	1.0625%	0.8750%	1.9375%	6.9375%
Estancia	1.5625%	0.8750%	2.4375%	7.4375%
Moriarty	1.4375%	0.8750%	2.3125%	7.3125%
Mountainair	1.6875%	0.8750%	2.5625%	7.5625%
Willard	1.3125%	0.8750%	2.1875%	7.1875%
Union County	0.0000%	0.9375%	0.9375%	5.9375%
Clayton	1.8125%	0.9375%	2.7500%	7.7500%
Des Moines	1.4375%	0.9375%	2.3750%	7.3750%
Folsom	1.4375%	0.9375%	2.3750%	7.3750%
Grenville	1.4375%	0.9375%	2.3750%	7.3750%
Valencia County	0.0000%	1.2500%	1.2500%	6.2500%
Belen	1.8125%	0.8750%	2.6875%	7.6875%
Bosque Farms	1.6875%	0.8750%	2.5625%	7.5625%
Los Lunas	1.5625%	0.8750%	2.4375%	7.4375%
Peralta	1.4375%	0.8750%	2.3125%	7.3125%

* Includes the State tax rate of 5%

**Total Local Government Impact
Fiscal Year 2012 (thousands)**

<u>County</u>		<u>Municipality Cont.</u>		<u>Municipality Cont.</u>	
Bernalillo County	1,207	Carlsbad	210	Magdalena	(2)
Catron County	18	Carrizozo	(1)	Maxwell	0
Chaves County	(22)	Causey	0	Melrose	(1)
Cibola County	(3)	Chama	(6)	Mesilla	0
Colfax County	(1)	Cimarron	0	Milan	(12)
Curry County	(14)	Clayton	(11)	Moriarty	(9)
De Baca County	18	Cloudcroft	1	Mosquero	0
Dona Ana County	640	Clovis	(145)	Mountainair	3
Eddy County	(9)	Columbus	94	Pecos	44
Grant County	(6)	Corona	0	Peralta	(0)
Guadalupe County	13	Corrales	96	Portales	(51)
Harding County	26	Cuba	34	Questa	93
Hidalgo County	14	Deming	(63)	Raton	72
Lea County	(10)	Des Moines	0	Red River	(3)
Lincoln County	(3)	Dexter	(3)	Reserve	(2)
Los Alamos County	(43)	Dora	(0)	Rio Rancho	64
Luna County	(2)	Eagle Nest	0	Roswell	(195)
McKinley County	(47)	Edgewood	(68)	Roy	(1)
Mora County	14	Elephant Butte	(0)	Ruidoso	(14)
Otero County	(11)	Elida	(1)	Ruidoso Downs	(50)
Quay County	10	Encino	0	San Jon	0
Rio Arriba County	(7)	Espanola	20	San Ysidro	(1)
Roosevelt County	(2)	Estancia	(3)	Santa Clara	95
San Juan County	(58)	Eunice	(4)	Santa Fe	(594)
San Miguel County	(4)	Farmington	(300)	Santa Rosa	(9)
Sandoval County	176	Floyd	0	Silver City	(95)
Santa Fe County	1,421	Folsom	0	Socorro	52
Sierra County	2	Fort Sumner	(5)	Springer	26
Socorro County	4	Gallup	50	Sunland Park	3
Taos County	(17)	Grady	0	Taos	(134)
Torrance County	5	Grants	50	Taos Ski Valley	1
Union County	13	Grenville	0	Tatum	(3)
Valencia County	225	Hagerman	47	Texico	61
County Supported Medicaid Fund	(45)	Hatch	(11)	Tijeras	1
County Total	3,503	Hobbs	(148)	Truth or Consequence	64
		Hope	0	Tucumcari	73
		House	0	Tularosa	87
Municipality		Hurley	55	Vaughn	(1)
Alamogordo	33	Jal	89	Virden	0
Albuquerque	(3,329)	Jemez Springs	(0)	Wagon Mound	(0)
Angel Fire	3	Lake Arthur	0	Willard	0
Artesia	28	Las Cruces	(375)	Williamsburg	0
Aztec	(39)	Las Vegas	(72)	Municipal Total	(4,025)
Bayard	89	Logan	(4)		
Belen	(64)	Lordsburg	38	Local Gov Total	(522)
Bernalillo	11	Los Lunas	(126)		
Bloomfield	2	Los Ranchos De Albuquerque	89		
Bosque Farms	93	Loving	38		
Capitan	55	Lovington	(34)		

Local Government	
Total Excluding	
Albuquerque	2,807