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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/19

SPONSOR Ingle LAST UPDATED _____ HB _____

SHORT TITLE Milk Testing Or Transporting Gross Receipts SB 16

ANALYST Clark

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21	FY22	FY23		
NFI	Minimal To No Impact				Recurring	General Fund

Parenthesis () indicate revenue decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 16 appears to clarify that the existing gross receipts tax (GRT) deduction for testing and transporting milk can be taken against either activity individually; a taxpayer does not need to perform both activities to take the deduction.

The effective date of this bill is July 1, 2019.

FISCAL IMPLICATIONS

The Taxation and Revenue Department reports this bill provides language clean-up to statute. The bill would likely have a minimal fiscal impact.

If the bill's actions are entirely clarification, which they appear to be, the bill should have no fiscal impact.

SIGNIFICANT ISSUES

There appear to be no significant issues, just tax code clean-up.

Does the bill meet the Legislative Finance Committee tax policy principles?

1. **Adequacy:** Revenue should be adequate to fund needed government services.
2. **Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
3. **Equity:** Different taxpayers should be treated fairly.
4. **Simplicity:** Collection should be simple and easily understood.
5. **Accountability:** Preferences should be easy to monitor and evaluate

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