

HOUSE BILL 295

**55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

INTRODUCED BY

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AN ACT

MAKING AN APPROPRIATION FOR A STUDY ON THE ECONOMIC AND FISCAL  
IMPACTS OF ELIMINATING OR REDUCING STATE INCOME TAX ON MILITARY  
RETIREMENT INCOME.

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

**SECTION 1. APPROPRIATION.--**

A. Fifty thousand dollars (\$50,000) is appropriated  
from the general fund to the board of regents of New Mexico  
state university for expenditure in fiscal year 2022 for the  
department of agricultural economics and agricultural business  
to study the economic and state and local fiscal impacts of  
eliminating or reducing state income tax on military retirement  
income. Any unexpended or unencumbered balance remaining at  
the end of fiscal year 2022 shall revert to the general fund.

B. The study shall include:

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- (1) retirement location preferences of military retirees and the importance of taxation and other considerations on location choices;
  - (2) summaries of existing topical research in New Mexico and other states;
  - (3) results of surveys and interviews with military retirees, state and local governments and other stakeholders;
  - (4) positive and negative economic affects;
- and
- (5) state and local fiscal impacts.