

**LFC Requester:**

**Ismael Torres**

**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**      X      **Amendment**    \_\_\_\_\_  
**Correction**    \_\_\_\_\_    **Substitute**    \_\_\_\_\_

**Date Prepared:**      1/31/2024  

**Bill No:**      House Bill 10  

**Sponsor:**      Cynthia Borrego and Javier  
                  Martinez  

**Short Title:**      Home Fire Recovery  
                  Income Tax Credit  

**Agency Name and Code Number:**      305 – New Mexico  
  Department of Justice  

**Person Writing Analysis:**      AAG Jesse Kelly  

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

House Bill (“HB”) 10 would establish a tax credit for New Mexicans whose home was destroyed in a wildfire between 2021-2023. The credit would be for the full amount of the out-of-pocket reconstruction costs paid by the taxpayer and could be used against tax obligations for up to three years. The construction industry division would promulgate rules and forms to qualify people for the tax credit.

**FISCAL IMPLICATIONS**

None for NMDOJ.

**SIGNIFICANT ISSUES**

If the intent of HB 10 is to allow a credit only when the source of funds is earned income, or savings of earned income, clarification is required. Additional clarity could be added if the legislation intends to impose any limits on the scope of reconstruction.

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None currently.

**TECHNICAL ISSUES**

None currently.

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

None currently.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

## **AMENDMENTS**