

LFC Requestor: Self Assigned

2024 LEGISLATIVE SESSION  
AGENCY BILL ANALYSIS

Section I: General

Chamber: House  
Number: HB0081

Category: Bill  
Type: Introduced

Date (of THIS analysis): 1/12/24

Sponsor(s): [Andrea Reeb](#) & [Joshua Hernandez, Harian Vincent and Pamela Herndon](#)

Short Title: Gun Storage Tax Credit

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25		
\$0	\$0	n/a	n/a

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$0	\$0	\$0	n/a	n/a

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	n/a	n/a

### Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

### Section IV: Narrative

#### 1. BILL SUMMARY

##### a) Synopsis

House Bill 81 (HB0081) proposes to create a gun storage income tax credit that:

- Includes an application process, specification of a firearm, and defines safe storage devices for firearms, does not exceed \$750 per device, and applies to taxable years starting January 1, 2024 through January 1, 2027
- Aggregate amount of credits that may be certified as eligible not total more than \$500,000 per calendar year
- Can be credited by proportion of ownership if the taxpayer owns an interest in a business partnership or limited liability corporation (LLC)

Is this an amendment or substitution?  Yes  No

Is there an emergency clause?  Yes  No

##### b) Significant Issues

#### **Firearm deaths in New Mexico**

- In 2022, New Mexico had the third highest age-adjusted rate of firearm involved death among all states in the United States (26.5 deaths per 100,000 residents) (Unpublished data, [BVRHS](#)), which was 84% higher than the United States (14.4 deaths per 100,000 residents, age adjusted) ([Provisional Mortality Statistics, 2018 through Last Week Request Form \(cdc.gov\)](#)).

- In 2022, the age adjusted firearm death rate in New Mexico was 26.5 deaths per 100,000 residents, which was the second highest rate in New Mexico since 1999 (Unpublished data, New Mexico Bureau of Vital Records and Health Statistics [[NM BVRHS](#)]).
- The age adjusted firearm death rate in New Mexico decreased by 1.9% between 2021 and 2022 (from 27.0 to 26.5 deaths per 100,000 residents), but increased by 17.3% between 2020 and 2022 (from 22.6 to 26.5 deaths per 100,000 residents) (Unpublished data, [NM BVRHS](#)).
- In 2022, there were 550 firearm-related deaths in New Mexico that included 214 homicides, which represents 38.9% of all firearm deaths in New Mexico (Unpublished data, [NM BVRHS](#)).
- In 2022, 77.0% (or 214 out of 278) of homicides involved a firearm (Unpublished data, [NM BVRHS](#)).
- The New Mexico Violent Death Reporting System (NMVDRS) recorded 56 homicide related incidents involving more than two victims between 2015-2019. Over 90% (n=53) of these incidents involved a firearm (<https://www.cdc.gov/nchs/pressroom/states/newmexico/nm.htm>).
- Nearly eight out of ten homicides committed in 2020 involved a firearm and firearms have become the leading cause of death for children and adolescents in America ([Gun Violence: The Impact on Public Health \(nihcm.org\)](#)).
  - In New Mexico, there have been 140 firearm deaths among children aged 0 – 18 between 2016 and 2020, which include 68 suicide deaths and 64 homicide deaths (<https://wonder.cdc.gov/Deaths-by-Underlying-Cause.html>).

### **The Costs and Benefits of Tax Exemptions/Credits for Firearm Storage Devices**

Jimenez et al. (2023) recently examined sales tax exemptions on firearm storage devices and found that ([PowerPoint Presentation \(oksenate.gov\)](#)):

- 13 states have statutes for firearm safety device tax credits
- A large percentage of gun owners store their guns unlocked and unloaded
- A large body of research has found that safe storage of firearms can be an effective way to prevent firearm-related injuries ([Prevention of firearm injuries with gun safety devices and s... : Journal of Trauma and Acute Care Surgery \(lww.com\)](#))

Expert testimony during a preliminary cost-benefit analysis of the impact of tax incentives for gun safes by the Oklahoma State Senate ([Interim study looks at tax incentives for gun safes | Oklahoma Senate \(oksenate.gov\)](#)) also found that:

- Safe/secure storage of firearms protects both adults and children by preventing unintentional shootings, suicides involving firearms, and gun thefts.
- The Oklahoma Tax Commission projects that it would cost \$271,555 in revenue, but gun deaths and injuries cost Oklahoma taxpayers more than \$200,000,000 each year.

- NOTE: The combined cost of firearm fatalities in New Mexico in 2021 is almost \$6.2 billion or \$2,962 per capita [for every state resident] ([WISQARS Cost Of Injury \(cdc.gov\)](#)).

## 2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?  
 Yes  No
- Is this proposal related to the NMDOH Strategic Plan?  Yes  No
  - Goal 1:** We expand equitable access to services for all New Mexicans
  - Goal 2:** We ensure safety in New Mexico healthcare environments
  - Goal 3:** We improve health status for all New Mexicans
  - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

## 3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?  
 Yes  No  N/A
- If there is an appropriation, is it included in the LFC Budget Request?  
 Yes  No  N/A
- Does this bill have a fiscal impact on NMDOH?  Yes  No

## 4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH?  Yes  No

## 5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP None

## 6. TECHNICAL ISSUES

Are there technical issues with the bill?  Yes  No

## 7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written?  Yes  No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)?  Yes  No
- Does this bill conflict with federal grant requirements or associated regulations?  
 Yes  No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs?  Yes  No

## 8. DISPARITIES ISSUES

### Firearm Deaths in New Mexico

- In 2020, firearms surpassed motor vehicle accidents as the leading cause of death for children in the U.S. (under 19 years old). In 2021, firearms has remained the leading cause of death for children ([Gun Violence: The Impact on Society \(nihcm.org\)](#)).
  - Between 2018 and 2022, there were 117 firearm deaths among children aged 0 – 17 in New Mexico, which included 50 suicide deaths and 56 homicide deaths (Unpublished data, [NM BVRHS](#)).
- In 2022, American Indian and Alaska Natives (AI/AN) residents in New Mexico were 21% more likely (30.6 deaths per 100,000 residents, age adjusted) to be killed with a firearm compared to White residents (25.2 deaths per 100,000 residents, age adjusted) (Unpublished data, [NM BVRHS](#)).
- In 2022, Asian and Pacific Islanders (API) and AI/AN residents were almost three times more likely (API: 16.9 deaths per 100,000 residents; AI/AN: 17.1 deaths per 100,000 residents, age adjusted) to die in a homicide involving a firearm compared to White residents (6.3 deaths per 100,000 residents, age adjusted) (Unpublished data, [NM BVRHS](#)).
- In 2022, Hispanic and Black residents were almost two times more likely (Hispanic: 12.6 deaths per 100,000 residents; Black: 11.1 deaths per 100,000 residents, age adjusted) to be killed in a homicide involving a firearm compared to White residents (6.3 deaths per 100,000 residents, age adjusted) (Unpublished data, [NM BVRHS](#)).
- In 2022, Black or African American residents in New Mexico were 49% more likely (42.7 deaths per 100,000 persons) to have a firearm involved death than White residents (28.7 deaths per 100,000 persons) (Unpublished data, [NM BVRHS](#)).
- In 2022, males in New Mexico were nearly five times more likely (44.2 deaths per 100,000 residents, age adjusted) to have a firearm-involved death than females (9.0 deaths per 100,000 residents, age adjusted) (Unpublished data, [NM BVRHS](#)).

## 9. HEALTH IMPACT(S)

### Firearm Deaths in New Mexico

- Nearly eight out of ten homicides committed in 2020 involved a firearm and firearms have become the leading cause of death for children and adolescents in America ([Gun Violence: The Impact on Public Health \(nihcm.org\)](#)).
  - In 2020, firearms surpassed motor vehicle accidents as the leading cause of death for children in the U.S. (under 19 years old). In 2021, firearms has remained the leading cause of death for children ([Gun Violence: The Impact on Society \(nihcm.org\)](#)).

- Between 2018 and 2022, there were 117 firearm deaths among children aged 0 – 17 in New Mexico, which included 50 suicide deaths and 56 homicide deaths (Unpublished data, [NM BVRHS](#)).
- In 2022, New Mexico had the third highest age-adjusted firearm death rate among all states in the United States (26.5 deaths per 100,000 residents) (Unpublished data, [NM BVRHS](#)), which was 84% higher than the United States rate (14.4 deaths per 100,000 residents, age adjusted) ([Provisional Mortality Statistics, 2018 through Last Week Request Form \(cdc.gov\)](#)).
- In 2022, firearm involved death would be the 10th leading cause of death in New Mexico with more deaths than nutritional deficiencies and influenza and pneumonia ([CDC Wonder - Underlying Cause of Death Form](#) – Data queried and prepared by NMDOH – ERD on 1.11.2024).
- In 2022, **Firearms were the Leading Cause of Death for Children aged 0-18 in NM**  
The number of New Mexico residents in the 10-18 age group who died by firearm in 2022 is 40. There were no firearm related deaths for children 0-9 years old.
  - 11 of the 40 deaths were categorized as intentional self-harm (suicide).
  - 24 of the 40 deaths were categorized intentional assault (homicide).
  - 1 of the 40 deaths were categorized as unintentional (accidental).
  - 4 of the 40 deaths were categorized as undetermined intent.
- Between 2012 and 2022, the age-adjusted firearm death rate in New Mexico increased by 75% (from 15.1 deaths per 100,000 residents in 2012 to 26.5 deaths per 100,000 residents in 2022) (Unpublished data, [NM BVRHS](#)).
- Between 2020 and 2022, the age-adjusted rate of firearm death increased by 17% (from 22.6 to 26.5 deaths per 100,000 residents) with 69 more deaths than in 2020. However, there was a 2% decrease in the rate from 2021 to 2022 (from 27.0 to 26.5 deaths per 100,000 residents) with 12 fewer deaths in 2022 (Unpublished data, [NM BVRHS](#)).

**10. ALTERNATIVES** None

**11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

If House Bill 81 (HB0081) is not enacted, then there will not be a gun storage income tax credit between January 1, 2024 through January 1, 2027.

**12. AMENDMENTS**

None