

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

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 Amendment _____
Correction _____ Substitute _____

Date 2/1/2024

Bill No: SB251

Sponsor: Cliff R. Pirtle Agency Name and Code Economic Development Dept. 41900
Short Adjusted GRT Based on Sales Number: _____
Title: _____ Person Writing Joel Salas
Phone: (505)490-7962 Email joel.salas@edd.nm.gov

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)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 251 (SB251) amends Section 7-9-4 NMSA 1978. Imposition and rate of tax; denomination as "gross receipts tax" so that the gross receipts tax (GRT) rate will be 4.875 percent but, for each individual sale, the amount of GRT imposed will be rounded down to the nearest multiple of five cents if not already a multiple of five cents.

The effective date of the provisions of this act is July 1, 2024.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

This bill essentially decreases the gross receipts tax (GRT) rate. This decrease, however, could be passed on in the form of savings to consumers, albeit a very small savings, which over time could add up, helping those in need and allowing for additional spending elsewhere.

Outside of decreased revenues for the state, the proper rounding of multiple transactions from thousands of taxpayers may prove difficult if the correct information is not available to the Taxation and Revenue Department and the department is required to determine GRT due.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS