

BILL ANALYSIS AND FISCAL IMPACT REPORT
Taxation and Revenue Department

March 6, 2025

Bill: HB-154

Sponsor: Representative Martin R. Zamora

Short Title: Bingo & Raffle Act Exemptions

Description: This bill amends Section 60-2F-26 NMSA 1978 to exempt from the Bingo and Raffle Act a raffle held for fundraising purposes by a service, educational, athletic or other extracurricular organization that is exempt from taxation pursuant to Sections 7-2-4(B) or 7-2A-4(C) NMSA 1978 and primarily serves youth who are eighteen years of age or younger.

Effective Date: July 1, 2025

Taxation and Revenue Department Analyst: Sara Grubbs

Estimated Revenue Impact*					R or NR**	Fund(s) Affected
FY2025	FY2026	FY2027	FY2028	FY2029		
--	(Slightly Negative)	(Slightly Negative)	(Slightly Negative)	(Slightly Negative)	R	General Fund – Gaming Excise Tax

* In thousands of dollars. Parentheses () indicate a revenue loss. ** Recurring (R) or Non-Recurring (NR).

Methodology for Estimated Revenue Impact: Tax & Rev does not have a straightforward way to estimate the number of eligible service, educational, athletic or other extracurricular organizations that primarily serve youth who are 18 years and younger. However, this exemption should minimally impact gaming excise tax revenues and have a very low fiscal impact.

Policy Issues: The New Mexico Bingo and Raffle tax (60-2F NMSA 1978) is a smaller revenue source for New Mexico and is a component of the gaming excise tax. Bingo and raffle taxes contribute less than 1% of the state’s recurring general fund revenue. Bingo and raffle taxes are subject to the gaming operator tax and are regulated by the New Mexico Gaming Control Board.

This exemption does not have a sunset date. Tax & Rev recommends a sunset date for policymakers to review the impact of tax expenditures before extending them.

Technical Issues: [Section 1]: On page 2, lines 24-25, the exemption applies to nonprofit organizations that “primarily serve youth who are eighteen years of age and younger.” The word “primarily” is vague and the bill supplies no metrics for determining when an organization primarily serves youth. Without guidance as to the meaning of that word, the bill is likely too vague to be enforceable or for Tax & Rev to enact guidelines through regulation.

Other Issues: None.

Administrative & Compliance Impact: Tax & Rev will update forms, instructions and publications and make information system changes. Staff training to administer the credit will need to take place. This implementation will be included in the annual tax year changes.

Implementing this bill will have a moderate impact on Tax & Rev’s Information Technology Division (ITD), requiring approximately 330 hours or about 2 months at a cost of \$21,991. This would include

adding a field to track the exemption.

Estimated Additional Operating Budget Impact*				R or NR**	Fund(s) or Agency Affected
FY2025	FY2026	FY2027	3 Year Total Cost		
\$21.9	--	--	\$21.9	NR	ITD – Staff workload

* In thousands of dollars. Parentheses () indicate a cost saving. ** Recurring (R) or Non-Recurring (NR).