

LFC Requester:

Laird Graeser

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.nmlegis.gov) and email to billanalysis@dfa.nm.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}***Date Prepared:** 1.20.2026*Check all that apply:***Bill Number:** HB 55Original ☒ Correction ☐Amendment ☐ Substitute ☐**Sponsor:** Alan T. Martinez**Agency Name
and Code**NM Department of Homeland
Security & Emergency Management-
79500**Short** 1st Responder Retirement Tax**Person Writing** Amber Gonzales**Title:** Deduction**Phone:** 505-487-6692 **Email** Amber.gonzales@dhsem.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0	\$0	NA	NA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0	\$0	\$0	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	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: HB 55 introduces a tax deduction for a first responder retiree or the unmarried surviving spouse of a first responder retiree in the amount equal to fifty percent of the taxpayer's retirement pay earned for service as a first responder, includable in net income. To claim the deduction, the qualifying taxpayer shall submit the amount to the appropriate department. The deduction and annual aggregate cost are included in the tax expenditure budget, and the provisions apply to the taxable years beginning on or after January 1, 2026.

FISCAL IMPLICATIONS

HB 55 will impact personal income revenues by allowing eligible taxpayers to deduct fifty percent of qualifying retirement income. The revenue reduction is currently unknown.

SIGNIFICANT ISSUES

The deduction establishes a new tax expenditure, potentially affecting the general fund revenue, and may cause concerns to extend similar benefits for other retirees.

PERFORMANCE IMPLICATIONS

DHSEM is unaware of the performance implications; the bill does not establish new programs or performance measures.

ADMINISTRATIVE IMPLICATIONS

DHSEM employs staff in an enhanced PERA plan; however, under HB 55 definition of "first responder," DHSEM/ SFMO personnel would not benefit from this bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

NMSA 1978, Section 7-1-84