

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
**[AgencyAnalysis.nmlegis.gov](mailto:AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**  
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**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 55 **Original**  **Correction**    
**Amendment**   **Substitute**  

<b>Sponsor:</b> <u>Alan T. Martinez</u>	<b>Agency Name and Code Number:</b> NM Department of Homeland Security & Emergency Management-79500
<b>Short Title:</b> <u>1<sup>st</sup> Responder Retirement Tax Deduction</u>	<b>Person Writing</b> <u>Amber Gonzales</u> <b>Phone:</b> <u>505-487-6692</u> <b>Email</b> <u><a href="mailto:Amber.gonzales@dhsem.nm.gov">Amber.gonzales@dhsem.nm.gov</a></u>

**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

<b>Appropriation</b>		<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>		
\$0	\$0	NA	NA

**REVENUE (dollars in thousands)**

<b>Estimated Revenue</b>			<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>	<b>FY28</b>		
\$0	\$0	\$0	NA	NA

(Parenthesis ( ) indicate revenue decreases)

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

	<b>FY26</b>	<b>FY27</b>	<b>FY28</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**

### **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