

LFC Requester:	Gray, Brendon

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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: 1/27/26 *Check all that apply:*
Bill Number: SB 116 Original Correction
 Amendment Substitute

Sponsor: Senator Block **Agency Name and Code** 366-PERA
Short Title: UNIFORMED SVC. RETIREMENT PAY TAX **Number:** _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(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:

SB 116 amends NMSA 1978 7-2-5.13 to remove the limit on the amount of the income tax exemption that may be claimed for uniformed services retirement pay. The exemption is currently limited to \$30,000. The bill also removes references to “armed forces” and replaces with “uniformed services” and adds a definition of “uniformed services.”

FISCAL IMPLICATIONS

Because uniformed service retirement pay is administered by the federal government, there would be no fiscal impact on PERA.

SB 116 should not have an impact on PERA’s operating budget.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

SB 116 will not affect PERA’s performance measures.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

PERA would continue to follow the existing statutes in NMSA 1978 and the New Mexico

Constitution.

AMENDMENTS

None.