

LFC Requester:

Brendon Gray

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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: 1/27/2026

Check all that apply:

Bill Number: SB116Original  Correction Amendment  Substitute Sponsor: Sen. Jay C. BlockAgency Name  
and CodeDepartment of Military Affairs  
70500Short Uniformed SVC Retirement

Number:

Title: Pay Tax Exemption

Person Writing

Monica F. MaestasPhone: (505) 616-6768Email Monica.Maestas@dma.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
<b>Total</b>	0	0	0	0	NA	NA

(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: An Act relating to income tax; removing the limit on the amount of income tax exemption for uniformed services retirement pay.

**FISCAL IMPLICATIONS** - No Fiscal Impact (NFI).

**SIGNIFICANT ISSUES** - None noted.

**PERFORMANCE IMPLICATIONS** – None noted.

**ADMINISTRATIVE IMPLICATIONS** - None noted.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP** - None noted.

**TECHNICAL ISSUES** - None noted.

**OTHER SUBSTANTIVE ISSUES** – The Department of Military Affairs supports bills that attracts and retains Veterans to New Mexico in general.

**ALTERNATIVES** - None noted.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL** - Status quo remains.

**AMENDMENTS** – None noted.