

LFC Requester:

Brendon Gray

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: 1/27/2026

Check all that apply:

Bill Number: SB117Original Correction Amendment Substitute Sponsor: Sen. Jay C. BlockShort Uniformed SVC Salary TaxTitle: ExemptionAgency Name
and CodeDepartment of Military Affairs
70500

Number:

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
Total	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 taxation; providing an income tax exemption for salaries paid by the United States for service in the uniformed services.

FISCAL IMPLICATIONS - No Fiscal Impact (NFI) to DMA.

SIGNIFICANT ISSUES – This bill does not fully account for New Mexico National Guard members on State Active Duty in response to the Governor’s Executive orders.

PERFORMANCE IMPLICATIONS – None noted.

ADMINISTRATIVE IMPLICATIONS - None noted.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP - None noted.

TECHNICAL ISSUES - None noted.

OTHER SUBSTANTIVE ISSUES - None noted.

ALTERNATIVES - None noted.

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

AMENDMENTS – Recommend adding language in Section A line 20 that reads: A salary paid by the United States *or the State of New Mexico* to a taxpayer for service in the uniformed services of the United States *or New Mexico State Active Duty* is exempt from state income taxation. *“Salary” includes all military federal pay for training, education, mobilization, and bonuses and state pay when called to support an emergency on state active duty.*