

**2009 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
REVENUE STABILIZATION AND TAX POLICY COMMITTEE**

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Work Plan for 2009

The revenue stabilization and tax policy committee is a statutorily created joint interim legislative committee. Pursuant to Section 2-16-3 NMSA 1978, the committee is directed to "examine the statutes, constitutional provisions, regulations and court decisions governing revenue stabilization and tax policy in New Mexico and recommend legislation or changes if any are found to be necessary . . .".

A. In the 2009 interim, the committee will:

1. examine stabilization of state revenue by:
 - a. discussing alternatives to increased taxes for revenue enhancement to generate replacement funds for federal stimulus money and to increase funding for schools;
 - b. periodically reviewing the revenue status of the state;
 - c. reviewing each major revenue-generating tax, including trends in revenue generation and the proportionate share each tax plays in the overall state revenue;

d. discussing the effectiveness and the necessity for existing tax exemptions, deductions and credits, their fiscal impact to state revenue and how to augment collections in a cost-effective manner;

e. determining the progress of the taxation and revenue department in establishing a tax expenditure budgeting system;

f. reviewing the potential revenue impact and side effects of increasing the gross receipts tax, increasing the motor vehicle excise tax or reducing pyramiding in the gross receipts tax system; and

g. considering methods to offset the volatility of revenue from oil and gas production in addition to retaining 10 percent reserves;

2. examine property tax issues, including:

a. yield control;

b. possible changes to the limitation on property tax;

c. the effect on property tax revenue of various mechanisms in New Mexico to finance economic development, including tax increment financing, public improvement districts and industrial revenue bonds;

d. the extent of use of industrial revenue bonds;

e. the ability of counties to value property;

f. determining if the current property tax system in the state can be improved or should be revised;

g. how other states impose, limit, value property for tax imposition and collect property tax;

h. the long-term effects of the limitation on property transfers;

i. the differential in residential property taxes resulting from the property tax limit;

j. whether the limit on residential property tax has the effect of increasing commercial property tax rates; and

k. if one percent of state assessed property should be allocated to the property tax division of the taxation and revenue department for training assessors, valuing property and providing IT services.

3. review the personal income tax amendments and corporate income tax proposals and the fiscal and administrative effects of each; and

4. review findings of pension and investment committees.

B. Other matters that the committee will address include:

1. a review of the effect on tax revenue or tax policy of holding local governments harmless for an unlimited time into the future when eliminating gross receipts taxes;

2. updates on the national effort to streamline sales taxes and sales tax policy;

3. the implementation of new policies to increase the effective collection of the weight-distance tax and the collection, revenue impact, distribution and expenditure of gasoline and other fuel taxes and a comparison with the needs and uses identified;

4. information on various forms of tax reform of interest to the committee;

5. a review of oversight of and access to data from local gross receipts tax collections and distributions;

6. the impact of state regulation on state revenue and an examination of options to improve the efficiency of regulatory action and reduce the time to receive approval or issue a license by the department of environment; energy, minerals and natural resources department; construction industries division of the regulation and licensing department; state engineer; alcohol and gaming division of the regulation and licensing department; and other agencies;

7. a review of the renewable development district bills regarding the positioning of liens above mortgage or other tax liens;

8. the cause of the differential in natural gas prices between the San Juan basin and other natural gas hubs, the arguments for and against additional pipelines to transport the gas and review of the magnitude of the royalties received by the state from natural gas;

9. the possibility of converting all exemptions to credits or deductions for better tracking and evaluation;

10. federal tax law changes and the effect of de-linking the state income taxes from the federal income taxes; and

11. an update from the department of transportation to determine the shortfall in road maintenance and repair revenue; and a discussion of methods for increasing road fund revenue receipts and a comparison of road tax collection mechanisms in New Mexico with other states.

2009 MEETING SCHEDULE

The dates on which the revenue stabilization and tax policy committee will meet are:

<u>Date</u>	<u>Location</u>
June 11-12 (Th-F)	Santa Fe, State Capitol, Room 322
July 14-15 (Tu-W)	Farmington
August 27-28 (Th-F)	Raton
September 14-15 (M-Tu)	Cloudcroft
October 14-15 (W-Th)	Santa Teresa-Deming
November 23-24 (M-Tu)	Santa Fe, State Capitol, Room 322
December 14-15 (M-Tu)	Santa Fe, State Capitol, Room 307