NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: H	ΓRC	DATE TYPED:	3/13/03	HB	886/HTRCS
SHORT TITLE: Post Secondary Textbook Gross Receipts		SB			
	ANALYST:				Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected	
FY03	FY04				
			Recurring	Youth Conserva-	
				tion Corps (EMNRD)	
			Recurring	State Park & Rec. Capital Improvement (EMNRD)	
			Recurring	Public Project Revolving Fund (New Mexico Finance Authority)	

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From

Taxation and Revenue Department (TRD)

Energy, Minerals and Natural Resources Department (EMND)

SUMMARY

Synopsis of Bill

The House Taxation and Revenue Committee Substitute for House Bill 886 amends Section 7-9-3.2 NMSA 1978 to provide an exclusion from the meaning of "facilities open to the general public" for the purpose of the governmental gross receipts tax. Specifically excluded are "point of

House Bill 886/HTRCS -- Page 2

sale (POS) registers or electronic devices at a bookstore owned or operated by a public postsecondary educational institution when the registers or devices are utilized in the sale of textbooks or other materials required for courses at the institution to a student enrolled at the institution who displays a valid student identification card". This effectively means no governmental gross receipts tax would be due on sales of textbooks or required materials. Currently, in order for college or university bookstores to not be subject to governmental gross receipts tax on bookstore sales, they must close their bookstores to the general public during "book week" and limit admittance to those with a valid student ID.

Significant Issues

Twenty-five percent (25%) of the GGRT is dedicated, by statute to the Energy, Minerals and Natural Resources Department for payment of bonds and Youth Conservation Corps (YCC) projects. Of the 25% distribution, 60% is appropriated to the EMNRD for state park and recreation area capital improvements and 40% is appropriated to the YCC for the funding of projects that employ youth and at the same time improve New Mexico's natural and community resources.

FISCAL IMPLICATIONS

On average, full-time university students spend almost \$400 per year on textbooks, while students in the two-year colleges spend an average of almost \$260 per year. However, college and university bookstores currently close their doors to the general public during "book week" and limit admittance to those with a valid student ID. In this manner the bookstores avoid governmental gross receipts tax on these sales. Sales of textbooks and other tangible property outside this time period are taxable, however.

SN/yr